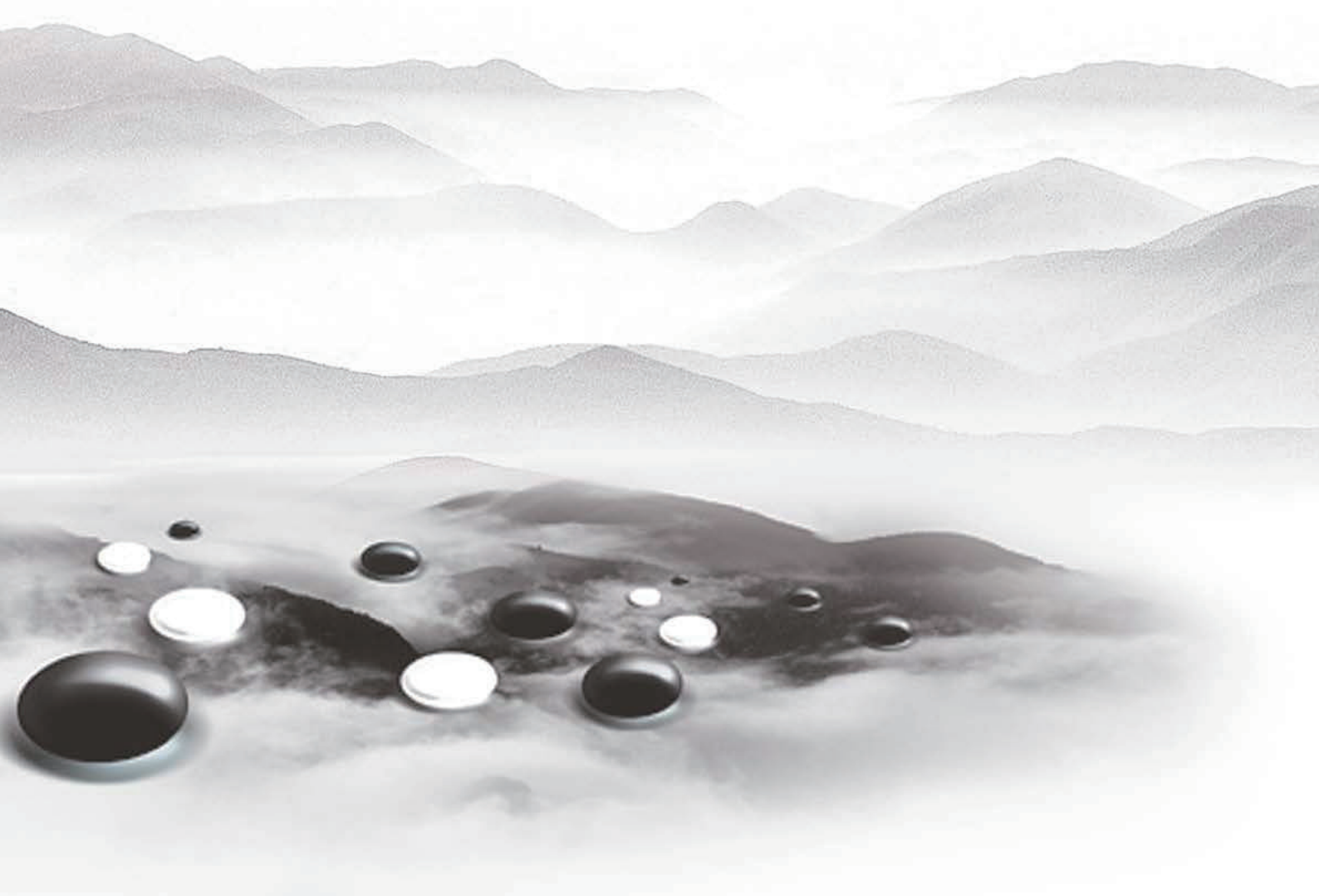




远 东 宏 信
FAR EAST HORIZON



2016

Far East Horizon

Environmental, Social and Governance Report

(Incorporated in Hong Kong with Limited Liability,
Stock Code: 3360.HK)



About This Report

This is the fourth Environmental, Social and Governance Report released by Far East Horizon Limited (referred to as “Far East Horizon” “the Corporation” “us/our” or “Far East”). 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 core subsidiaries and some invested subsidiaries of Far East Horizon.

Core Subsidiaries of Far East Horizon

International Far Eastern Leasing Co., Ltd.	Horizon Healthcare Investment Holding (Shanghai) Co., Ltd.
Far East Horizon (Tianjin) Financial Leasing Co., Ltd.	Horizon Healthcare Management (Shanghai) Co., Ltd.
Grand Flight Investment Management Co. Ltd.	Shanghai Horizon Education Investment Holding Co., Ltd.
Shanghai Horizon Equipment & Engineering Co., Ltd.	Shanghai Hongjin Equipment & Engineering Co., Ltd.

Core subsidiary of Far East Horizon involved in the report has been retrieved by environment database of The Institute of Public & Environmental Affairs (IPE) and Shanghai Qingyue, and no negative environment record was found in report period.

Time Range: From January 1, 2016 to December 31, 2016

Release Cycle: This report is an annual report.

Reference basis

This report uses the Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”, the “Listing Rules”) 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 “2016 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 stated in this report are denominated in RMB.

Report release

The report has been issued to the public in both Chinese and English edition at the same time, and the online version can be downloaded on Far East Horizon’s website (Website: <http://www.fehorizon.com>) and the website of the Stock Exchange.

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

Relevant abbreviation

Far East Horizon Healthcare Group	Far East Healthcare
Far East Horizon Construction Group	Far East Construction
Far East Horizon Education Group	Far East Education
Shanghai Horizon Equipment & Engineering Co., Ltd.	Horizon Equipment
Shanghai Hongjin Equipment & Engineering Co., Ltd.	Hongjin Equipment

2016 Responsibility Overview

Far East Horizon: Finance • Industry

Creating economic contribution for national economy and the people's livelihood:

The asset size was up to 166.6 billion yuan in 2016, with a year-on-year growth of 20%;
The total profit reached 4.1 billion yuan, with a year-on-year growth of 14%;
Operating revenue was 13.9 billion yuan, with a total tax of 2.8 billion yuan;
20 holding or sharing hospitals have been signed in 2016, open beds of which added up to over 7,000;
12 new top-level kindergarten sites have been signed in 2016, with 4 of them and another 2 international schools in operation.

Provision of high-grade environment and joint growth with employees:

The total number of employees is 8,184, with a training time of over 30 hours per person in Finance Sector;
We have organized and supported employees' activities more than 400 times;
199,000 yuan has been spent on subsidizing and condoling employees and their families in difficulty.

Perform safety and environmental protection responsibility and stabilize enterprise operation:

We have financed 200 million yuan in environmental protection industries such as solid waste treatment and sewage treatment;
960 million yuan has embarked in the Green Public Transportation Special Support Program;
Electricity consumption has reduced by 36.7% compared with that in 2015;
Total office paper consumption has reduced by 8.3% compared with that in 2015.

Devote to programs for public good and help improve people's livelihood:

Among the nearly 3.8-million-yuan total public welfare cash expenditure of Horizon Charity Foundation,
over 980,000 yuan was expended in educational poverty alleviation, benefiting 2,000 students in poverty;
800,000 yuan was invested in Medical poverty relief, with love wards established in 5 hospitals across the country;
The total time of voluntary activities reached 8,960 hours;
Over 5,000 people benefited.

Contents

1. Speech from the President	01
2. Adhere to “Finance + Industry” strategy and high level of governance	02
2.1 Brief Introduction	02
2.2 Corporate Governance	03
2.3 Risks and Compliance Management	05
3. Undertake social responsibility and promote harmonious development	09
3.1 Responsibility Concept of Far East Horizon	09
3.2 Social Responsibility Management	09
4. Create economic contribution for national economy and the people’s livelihood	12
4.1 Economic Value Creation	12
4.2 Innovation in financial service	15
4.3 Promoting Industrial Development	19
4.4 Provide high-grade service	23
5. Provision of high-grade environment and joint growth with employee	25
5.1 Employee rights	25
5.2 Employee Development	27
5.3 Employee Care	29
6. Perform safety and environmental protection responsibility and stabilize enterprise operation	31
6.1 Environmental Management	31
6.2 Green Finance	32
6.3 Green Operation	34
6.4 Occupational Health and Safety	35

7. Devote to programs for public good and help improve people’s livelihood	37
7.1 Supporting Social Welfare	37
7.2 Response to the Poverty Alleviation Policy	38
7.3 Launch voluntary service	40
8. Special Issue: Serve Chinese healthcare and concern about national health	42
— Far East Healthcare Social Responsibility Report	42
8.1 Responsible Operation	43
8.2 Environmental and Safety	46
9. Special Issue: Assist infrastructure and safeguard people’s livelihood and development	48
— Far East Construction Social Responsibility Report	48
9.1 Responsible Operation	49
9.2 Environmental and Safety	51
10. Special Issue: Carry forward Chinese culture and promote national education	54
— Far East Education Social Responsibility Report	54
10.1 Responsible Operation	54
10.2 Environmental and Safety	55
Key Performance Indicators of 2016 Social Responsibility	57
Standards Index	62

1. Speech from the President

The year of 2016 was the 15th year after the southward relocation of Far East. In this year, in the face of overall downstream of China's economy, Far East people have withstood challenges from external environment one after another, and maintained sustainable growth as always by virtue of courage and indomitable will towards difficulties. With 15 years of development, Far East Horizon has gradually grown from a financial service institution into a comprehensive corporation providing integrated industrial operation services, which keeps a foothold in China, has a global view, focuses on both finance and industry, and promotes sustainable development of national economy and society.

Over the years, Far East Horizon has tried its best to build an excellent enterprise and continuously created value for all parties including shareholders, employees, customers and the government. The Corporation adheres to the efforts in the four social responsibility fields of industry responsibility, investor responsibility, employee responsibility and people's livelihood and promotes healthy, sustainable and harmonious development of industrial economy and society.

In 2016, we continued to take the business idea of "finance + industry", firmly took root in substantial economy, developed feature and advantage of "paying attention to industry", deeply understood the customer's requirement, provided comprehensive and diversified product service, and realized stable growth of performance. For the whole year of 2016, the finance business segment subordinate to Far East Horizon and industrial members all over the country paid nearly 2.8 billion yuan taxes to the country in summation, and Far East Horizon has been listed on Fortune China 500 for the first time.

In terms of traditional finance business, Far East Horizon implements regional deep ploughing and localizes operation, deepens and penetrates the attached industrial entity, and optimizes industry investment and asset configuration. In 2016, the Corporation continued to enhance layout in medical, educational and urban public industry, positively developed emerging fields such as tourism, sports, healthcare, amusement and media, and maintained stable growth. At the same time, Far East Horizon further enriched connotation of financial products and services, emphasized on high quality enterprises and institutions and provided them with leasing, factoring, structured financing and product combinations. With the continuous objective of synthesized service and means of operation simulating investment bank, we are able to provide a variety of financial products and improve industrial competitiveness.

In terms of industrial operation, Far East Horizon insists on the centralizing of the service for the real economy, follows the industry route involving national economy and people's livelihood, brings the superiority of industry focus, excavation and customer grasp into full play, and constantly "evolves" service abilities and methods to ensure sustainable and stable development. As of the end of 2016, there have been 20 hospitals subordinate to Far East Horizon and over 7,000 open beds; Far East Education has operated 4 top-level kindergartens and 2 international schools, with over 930 students; In terms of construction, Far East Horizon has originally established operation network in field of infrastructure equipment operation and high-end formwork lease, which made itself an emerging power that can't be ignored by the entire industry .

While fulfilling industry and investor responsibility, Far East Horizon has paid full attention to employee development and people's livelihood. We have also taken talent cultivation as the top priority of Corporation development, and created all-inclusive, fair and equal development environment for employees. Meanwhile, the Corporation has also carried out a series of public welfare activities in education subsidy, poverty relief, medical assistance, voluntary service and other fields to lift vulnerable groups out of difficulty and anxiety and make contribution for the improvement of people's livelihood and harmonious development of the society through Far East Horizon Charity Foundation platforms. For the whole year of 2016, the Corporation has achieved a total public welfare expenditure of 4.16 million yuan and carried out 21 projects via Horizon Charity Foundation, which covered 17 cities all over the country, and project expenditure was of nearly 3.8 million yuan and there were over 5,000 people benefited.

Looking to the future, the downturn of the macroeconomics and the challenge of the capital market volatility still exists, but Far East has equipped with the ability of adaptation to various environments and accumulated power for later development, the corporation will continue to innovate and explore, and create sustainable mutual value with all the stakeholders hand in hand.



Kong Fanxing

2. Adhere to “Finance + Industry” strategy and high level of governance

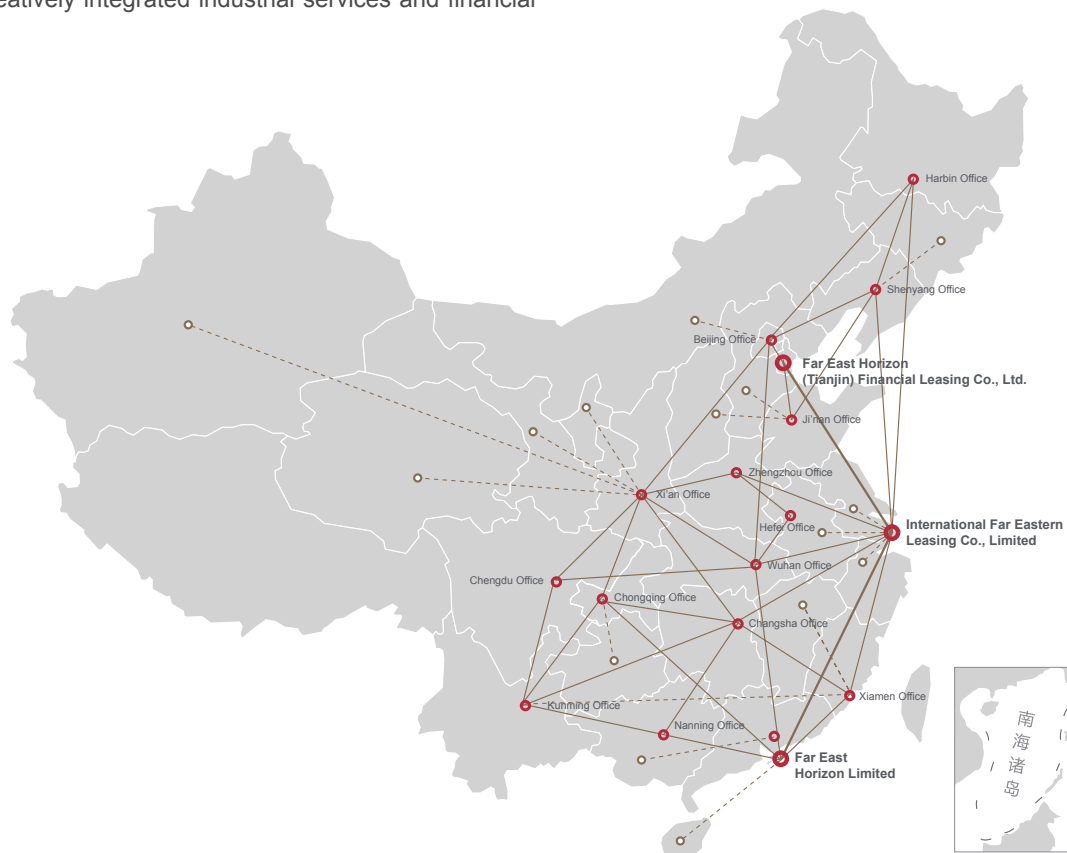
2.1 Brief Introduction

Far East Horizon Limited is a Chinese leading and innovative finance company that relies on the enormous scale and rapid development of Chinese economy, focuses on Chinese infrastructure industry, and serves the most energetic enterprises in industry by the mode of combining finance and industry. Adhering to business idea of “Finance + Industry”, Far East Horizon has devoted to provide customized industrial comprehensive operation service for the customer via constant innovation of products and services, making efforts to achieve the corporate mission of “integrating global resources and promoting China’s industries”.

Over 20 years since its establishment, Far East Horizon has gradually developed from a single financial services institution to an industrial comprehensive operation service institution that keeps a foothold in China, has a global view, crosses finance and industry, and promotes sustainable development of national economy and society. Far East Horizon has carried out integrated industrial operation service of finance, investment, trade, consultation and engineering in healthcare, education, construction, electronic information, urban public utility, packaging, transportation, industrial machinery and many other fundamental areas, creatively integrated industrial services and financial

capital, and formed enterprise operation advantages featured by the mutual matching and coordinated development of resource organizing and appreciation abilities. 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, as the first innovative finance company in Mainland China listed in the Hong Kong capital market with the principal business of financial leasing.

The headquarter of the Corporation is located in Hong Kong, with business operation centers in Shanghai and Tianjin. Offices are located in many central cities such as Beijing, Shenyang, Jinan, Zhengzhou, Wuhan, Chengdu, Chongqing, Changsha, Shenzhen, Xi’an, Harbin, Xiamen, Kunming, Hefei and Nanning, 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, hospital investment and operation, equipment operation service, advanced education, engineering services, trade brokering and management consulting both domestically and internationally.

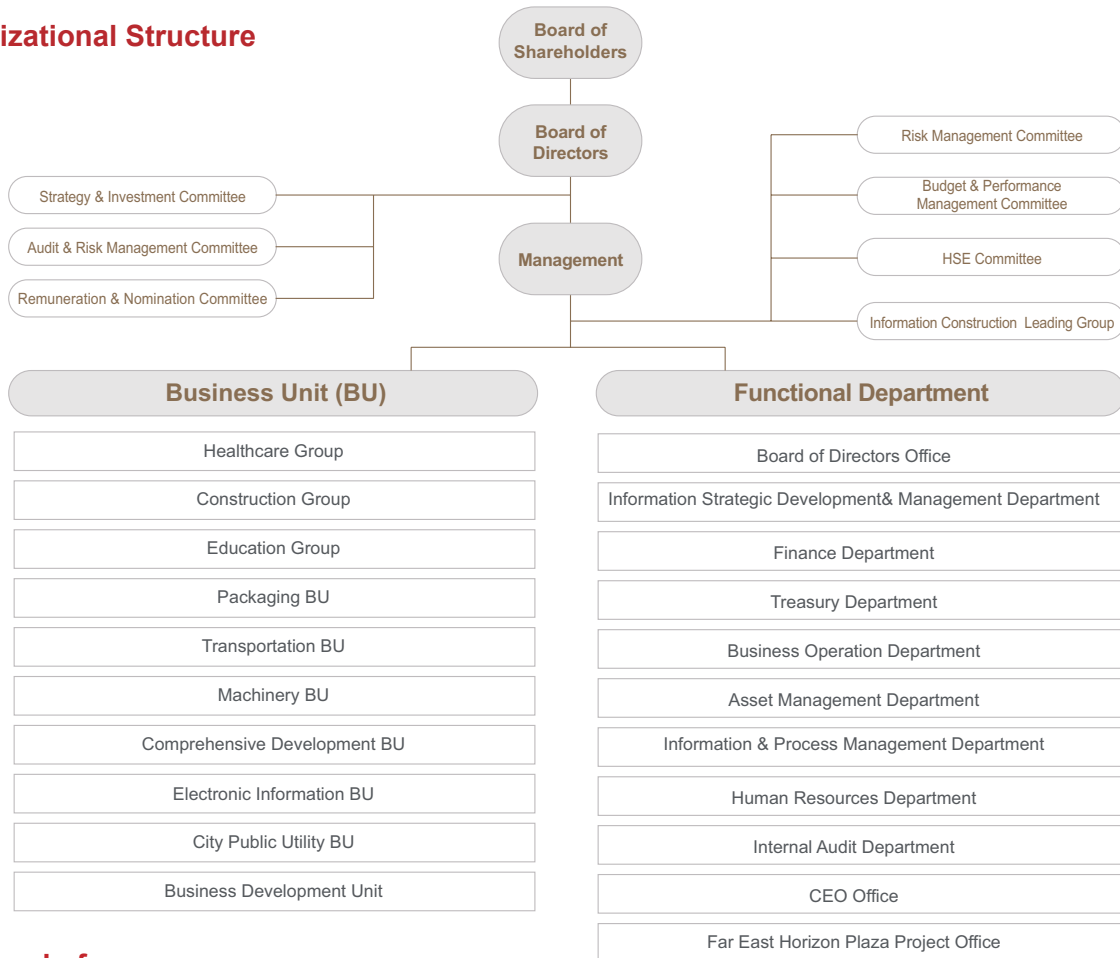


Core Members

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 Horizon Education& Investment Holdings Co., Ltd.

2.2 Corporate Governance

Organizational Structure



High level of governance

Far East Horizon believes that excellent corporate governance is essential to the success and sustainable development of the Corporation. For a long time, Far East Horizon has positively implemented Companies Ordinance of Hong Kong, Listing Rules and Securities and Futures Ordinance of Hong Kong, and provided supports and services for the corporate governance structure via continuous perfection of corporate rules and regulations while maintaining a high governance level, to ensure the improvement of decision-making system and enhancement of transparency under the listed company structure, in the cause of maintaining the long-term benefit of all shareholders and improving the enterprise value.

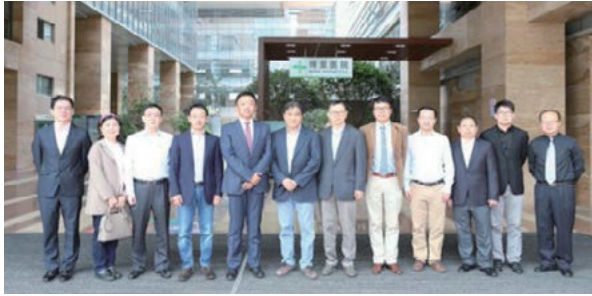
The Board of Directors of Far East Horizon consists of 12

directors, including 2 executive directors, 6 non-executive directors and 4 independent non-executive directors. All directors contribute extensive business experiences, rich knowledge and high levels of professionalism to the efficient functioning of the Board.

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 2016, the Board of Directors held a total of 4 meetings, the Audit Committee held 5 meetings and Remuneration & Nomination Committee held 2 meetings.

Innovation in management supports the scientific decision-making of directors

For a long time, the Corporation insisted on the continuous support for decision-making of directors via issuance of information, training of regulations of listed companies and interaction. In October 2016, the Corporation invited some non-executive directors to participate in the visit to healthcare and education and other industrial operation platforms, which has effectively improved understanding by Corporation directors and the capital market of industrial operation of the Corporation.



Investor relations

While conducting continuously stable operation and realizing asset appreciation and paying back shareholders, the Corporation has positively approached capital market, and kept communication with the investors via daily communication, participation in investors summits, reverse roadshows, open days of industrial platform and other methods.

For the whole year of 2016, the Corporation carried out 688 times of communications with institutions through different approaches. The frequent communications enhanced the investors' recognition on the Corporation and improved exposure of the Corporation in capital market.

The Corporation has participated in 7 summits held by domestic and foreign investment banks, held 2 performance global roadshows, communicated with many investment institutions, and effectively improved the Corporation's image in capital market.

In the future, the Corporation will continue to bring forth new management practices on investor relations via industrial forums, industrial interviews, online roadshows and reverse roadshows.

Industrial forums

Participate in professional forum of industrial investment to promote exposure degree of the Corporation

Industrial interviews

Arrange interview with industry managers for investors interested in special industry

Online roadshow/ meetings

Hold meeting by virtue of online media and upload it to network platform to expand audience

Reverse road shows

Hold theme day activity in holding hospital and school and promote the investor's recognition on industrial property of the Corporation

2.3 Risks and Compliance Management

Overall risk management system

Far East Horizon has established an overall risk management system, and set up risk management groups at the level of board of directors, management layers, business and functional departments respectively to fully supervise risks in credit, market, mobility, operation and so on.

In 2016, the Corporation further improved risk management level, expanded risk prevention field via continuous optimization of asset configuration, enhanced supervision of asset process, increased risk asset disposal degree, and fully perfected risk management system. Meanwhile, the Corporation also diligently studied and identified tendency

of macroscopic economy and capital market, paid close attention to tendency of development of various industrial platforms, and constantly promoted risk management value.

In 2016, the Corporation's assets were in stabilization, with non-performing loan ratio less than 1%, which was in a good level of the industry; Provision coverage has continued to maintain a stabilized level of over 200%, which was better than traditional finance industry and ensured the Corporation's ability to resist risks. In face of future, Far East Horizon has the confidence in further enhancing the Corporation's competitiveness by virtue of globalized financing network and resource advantages.

	<p>Optimize asset allocation</p>	<ul style="list-style-type: none"> • The Corporation has managed and controlled industry risks by carrying out centralized inspection and adjustment of industry risk policies semi-annually. • The Corporation has continuously optimized customer evaluation models and the emphasis of customer credit evaluations • The Corporation has improved the elaborate operation level in asset lead-in process and insisted audit of Customer Manager AB two-role handling and credit double-signing.
	<p>Expand risk prevention field</p>	<ul style="list-style-type: none"> • Credit areas have been localized to further approach the market and customers and reduce relevant risks due to information asymmetry • A four-level group management system of group headquarters—industrial group—platform company—real enterprise has been established to intensify management of classified groups and risk control of industrial business. • It has taken HSE risk management as principal line, created “amiable, respectful, credible and reliable” safety brand image to ensure controllable overall industrial safety risk
	<p>Strengthen capital process supervision</p>	<ul style="list-style-type: none"> • Increase regional capital stationary points and personnel of localized capital of area center • Introduce supervision tool of network risk information, enhance supervision frequency, develop supervision subject and dimension, and implement all-dimensional and uninterrupted information health and early warning feedback mechanism. • Strengthen judgment ahead on risk symptoms, prepare specific risk prevention measures, and resolve potential risks
	<p>Enhance risk capital disposal degree</p>	<ul style="list-style-type: none"> • Optimize and establish special disposal groups and improve trans-department coordination efficiency • Further strengthen working mechanism and specify management responsibility and objective in terms of major industry

Insist compliance operation

Far East Horizon has established compliance management system with board of directors as the highest policy-making body. The Corporation has set up Audit and Risk Management Committee under board of directors, which was responsible for supervising risk management procedure of the Corporation. Internal Auditing Department has been independent from the Corporation's operation

and management, reported directly to Audit and Risk Management Committee regularly, and conducted independent audit on whether operation, management and risk control were reasonable and complete. Audit and Risk Management Committee and Internal Auditing Department have regularly reported to board of directors of the problems detected and put forward suggestions.

The Corporation has successively issued Capital Market Compliance Management Rules, Related Party Transaction Rules, Information Disclosure Rules, Disclosure Guide for Transactions to Be Disclosed and Responsibility Confirmation and Penalty Management Rules and other rules and regulations in accordance with Companies Ordinance of Hong Kong, Securities and Futures Ordinance from Hong Kong Securities and Futures Commission, and Listing Rules. The Corporation has diligently studied and

implemented national Administration Measures for Foreign Investment Lease Industry, Supervision and Administration Measures for Finance Lease Enterprise, Internal Audit Regulations, Internal Audit Rules, strictly complied with laws and regulations applicable to anti-money laundering and anti-terrorism financing, and actively carried out anti-corruption, anti-fraud, anti-money laundering and other works.

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 business divisions for the handling of all relevant matters.

The Corporation set up email and a 400- hotline for reporting incidents, and made them accessible on the new employee training platform, official website and employee cards to facilitate the reporting of violations by employees and external clients. In 2016, the Corporation has set up Auditing Clue Special Reward Foundation to encourage employees to develop the attitude of “ownership”, to timely discover and curb phenomenon and actions damaging the

Corporation’s benefits, and to jointly boost sustainable and healthy development of the Corporation.

With the gradual expansion of our industry scale, the Corporation and its branches also set up a “two-level reporting system”, employees or clients are able to report 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. The Corporation has increased auditing projects covering the industrial platform, and enhanced auditing effort on subordinate platform companies via site visits to subordinate enterprises.

2014-2016 Compliance Management Results

Work Results	Unit	2014	2015	2016 ¹
Internal audit reports	copies	123	142	121
Audit reminders	copies	33	45	34
Audit findings	pieces	234	394	590
Management suggestions	pieces	184	133	276

Note¹: the Corporation has carried out more auditing projects covering the industrial platform in 2016, so the discovery from auditing and suggestions had a large increase range.

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, in order to ensure integrity, systematic capacity, and compatibility with honest business.

Overview of strengthening employees' occupational ethics education work

In 2016, the Corporation amended Far East Horizon Limited Anti-fraud Work Regulations and Petition and Report Investigation Work Guidelines, optimized relevant working mechanism and process, and exerted penalty in strict accordance with Responsibility Identification and Punishment Management Regulations regarding internal violation against discipline and violation matters detected.

The Corporation delivers the violation matters detected to judiciary authorities for treatment according to law. In 2016, the Corporation detected, investigated and treated a case that a former employee had accepted bribes during the previous working period. We cooperated with judiciary authorities to carry out investigation and the court has made a judgment and settled the case. Meanwhile, the Corporation carried out caution education facing all employees taking this as an example.

In 2016, the Corporation has issued Far East Horizon Limited Employee Ethics Specification, which had standardized basic rules of Far East Horizon and occupational action of employees of subordinate companies, boosted the employee to comply with relevant national laws and regulations in various occupational actions internally and externally, and dealt with business activities and business relations honestly and trustworthily. The Corporation's leading body signs Integrity Commitment annually, makes it public and accepts all employees' inspection.

In 2016, the Corporation has newly developed 25 curriculums in total in regarding to "complying with occupational ethics", "compliance commitment" and other topics, educated family members with surrounding things, and carried out 144 publicity and guidance activities in various forms, including face to face communication, video publicity and guidance and WeChat cases, which covered personnel at different levels and different posts and realized 3,661 person-times in summation.



Statistics of auditing work achievement during 2014-2016

Work Results	Unit	2014	2015	2016
Employee professional ethics and compliance trainings	Times	42	70	144
Employee professional ethics and compliance trainings	Person-times	1,663	2,199	3,661 ¹
Reports received from employees	Times	4	1	2
Handling illegal cases	Items	4	0	1
Handling discipline-violating cases	Items	13	6	4
Punished for violating laws and disciplines	Persons	24	6	4

Note¹: As the statistics of 2016 has incorporated WeChat training, the number of people covered has a large increase range.

Optimize supplier management

With the establishment of a sound supplier management system, Far East Horizon has 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, most of which are from the mainland China. 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. The Corporation has established supplier complaint feedback mechanism, via which, all employees could report falsification, bidding collusion, colluding in bidding, commercial bribe and other actions in purchasing process of the supplier to the supplier’s management group. In 2016, no major risk or compliance integrity problem has occurred in the Corporation’s supply chain.

Main supplier category and impact¹

Category	Services/products purchased	Identified key social and environmental impact factors
Law, human resources and other professional consultation 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: This is the data of the financial sector.

3. Undertake social responsibility and promote harmonious development

Far East Horizon is making great effort to become an economic organization that would create value continuously, effectively and constantly, and continuously create value for shareholders, employees, partners, investors, government and society and various parties, in order to realize the sharing of values and win-win results.

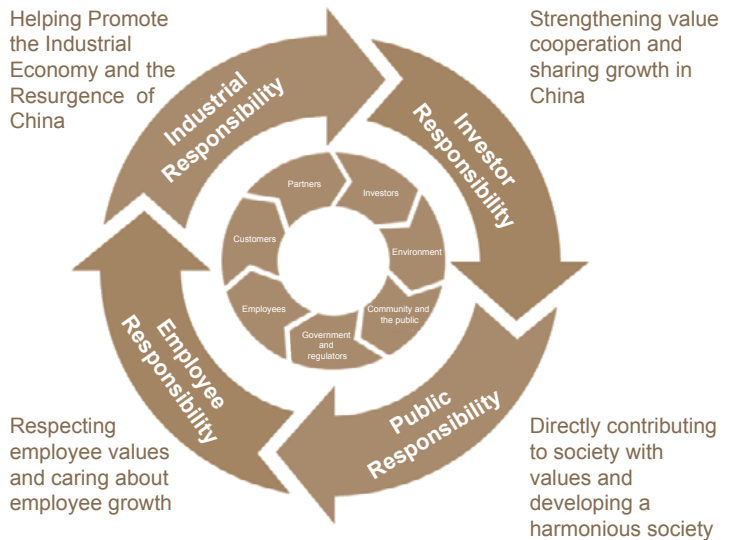
3.1 Responsibility Concept of Far East Horizon

Mission and Vision	<p>Integrating global resources and promoting China's industries</p> <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 developed into China's leading and innovative financial service institution and has long been devoted to the four social responsibility fields of industry, investors, employees and the public, which guide the Corporation's sustainable development direction and support and influence each other, in order to achieve a sustainable long-term performance.

Company has 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.

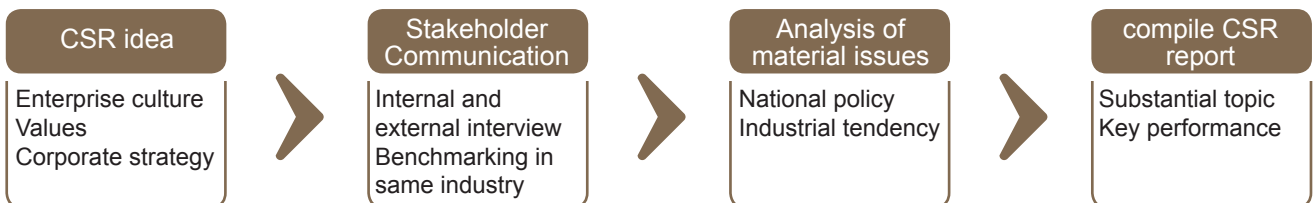
Creating Value Sharing and Achieving Harmonious Development



3.2 Social Responsibility Management

Far East Horizon has compiled and issued social responsibility reports since 2013, with the hope of fully reflecting the Corporation's idea of social responsibility and reporting the Corporation's economic, social and environmental performance to stakeholders. During the

compiling process of the report, the Corporation has fully summarized practical experiences and improvements in social responsibility of the Corporation via sufficient communication and other methods such as interview with internal and external stakeholders.



Communication with Stakeholders

Communication with stakeholders has been an important constituent for the enterprise to implement social responsibility idea. In 2016, 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, listen to and respond to appeal of interested parties diligently.

Expectations and Responses of Stakeholders

Key Stakeholders	Importance	Concerned Issues	Communication and Responses	HKEx ESG Reporting Guidelines
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 	Environment Operation practices Community
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 	Environment Operation practices
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 	Employment and labor
Governments and Supervisory institutions	Government maintains a supervisory role in our business operation.	<ul style="list-style-type: none"> Compliance Management Regulatory transparency Preventing tax fraud Resource conservation 	<ul style="list-style-type: none"> Institutional visits Document correspondence Policy implementation Information disclosure 	Environment Operation practices Employment and labor Community
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 Compliance Management Mutually beneficial strategy alliances 	<ul style="list-style-type: none"> Holding bidding conferences for the public Strategic negotiations Exchange visits 	Environment Operation practices Employment and labor Community
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

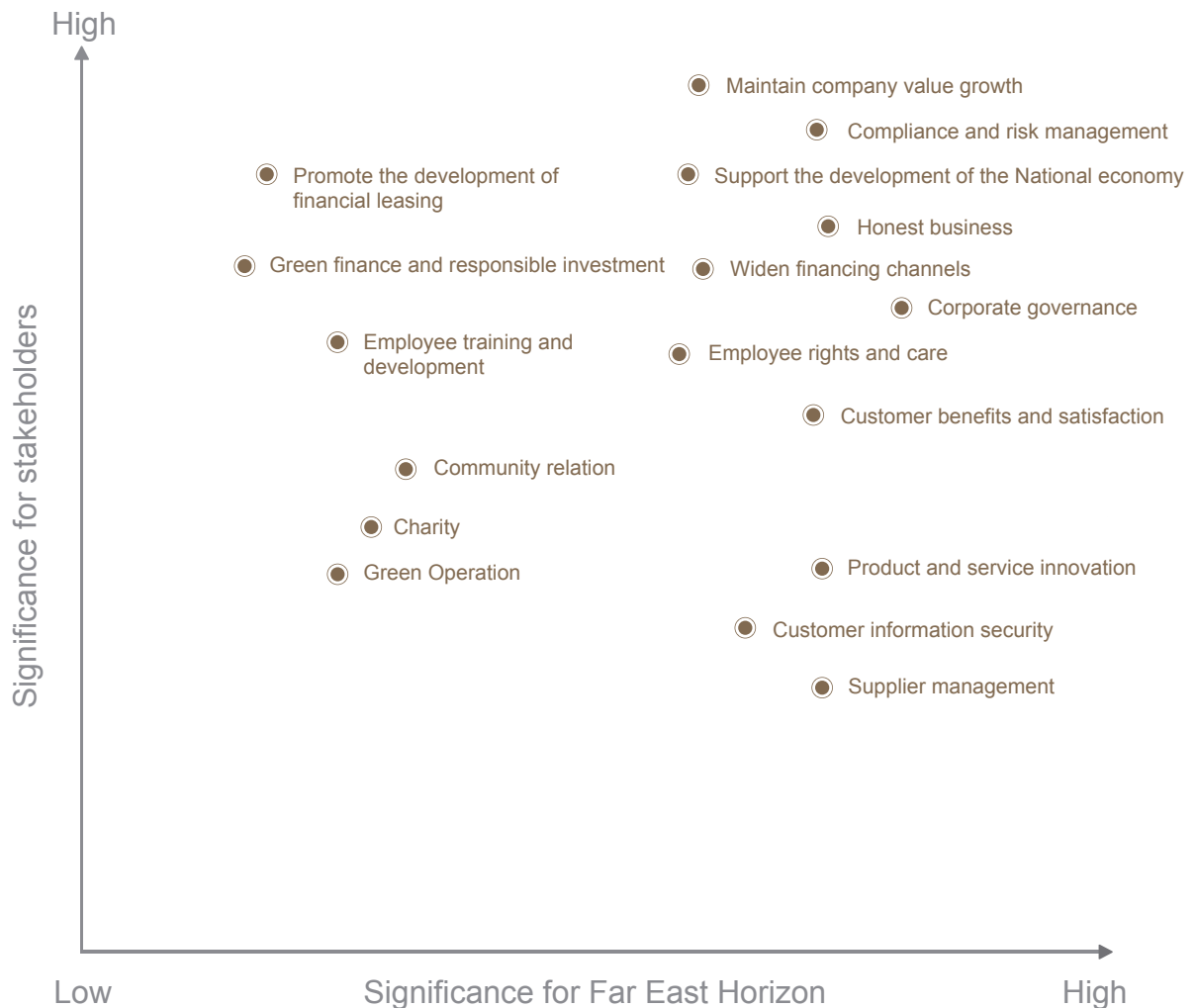
Recognition and Analysis of Material Issues

To better respond to appeals and expectations of stakeholders in the report, Far East Horizon has researched national policy, industrial hotspot and best practice and expectation of stakeholders, as well as referring to Organization Social Responsibility Standard Guidelines ISO26000, Sustainability Reporting Guidelines (GRI4), Environmental, Social and Governance (ESG) Reporting Guide and other standards, adjusted contents of material issues for discussion properly, and made response to such issues in the report.

Over the years, Far East Horizon has accumulated excellent industrial experience and customer basis, and centralized energy and gathered resources in industrial operation direction that involved national economy and people's

livelihood under strategic guidance of Finance + Industry. In 2016, the Corporation has actively boosted exploration and innovation of industrial operation mode in such fields as healthcare, construction, education, infrastructure upgrade and obtained good effect; for such purpose, we have also continuously paid attention to core issues of sustainable development of various industrial platforms, and made response to material issues in the form of special subject in the report.

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. Create economic contribution for national economy and the people's livelihood

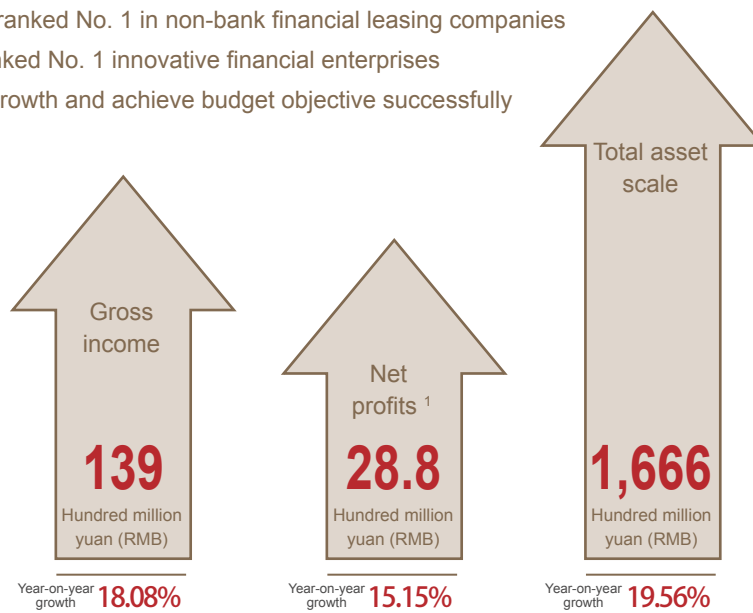
Far East Horizon has insisted on the innovative development mode of “organic and effective combination between finance and industry”; under the major background of macroscopic economic situation slowing down and adjustment and upgrade of industry, the Corporation has adhered to operation idea of “finance +industry”, closely focused on real economy, developed feature and advantage of “specializing in industry”, deeply understood the customer’s demand, provided comprehensive and diversified product service, realized stable growth of performance, and created sustainable value growth for all shareholders.

4.1 Economic Value Creation

In 2016, Far East Horizon adhered to its establishing foundation of “gathering global resources to boost Chinese industry”, insisted on taking root in industry, kept a foothold in change of customer and market requirement, abided by development strategy of “organic and effective combination between finance and industry”, brought forth new product and improved service ability, focused on serving customers

of advantage industry, and obtained valuable performance in complex economic environment. In 2016, Far East Horizon has realized an asset scale of 166.6 billion yuan, which increased 20% or so compared with that in early last year, and achieved operation income about 13.9 billion yuan all through the year, which had a year-on-year growth of 18% or so.

Such asset scale ranked No. 1 in non-bank financial leasing companies
 Absolute profit ranked No. 1 innovative financial enterprises
 Keep a two-digit growth and achieve budget objective successfully

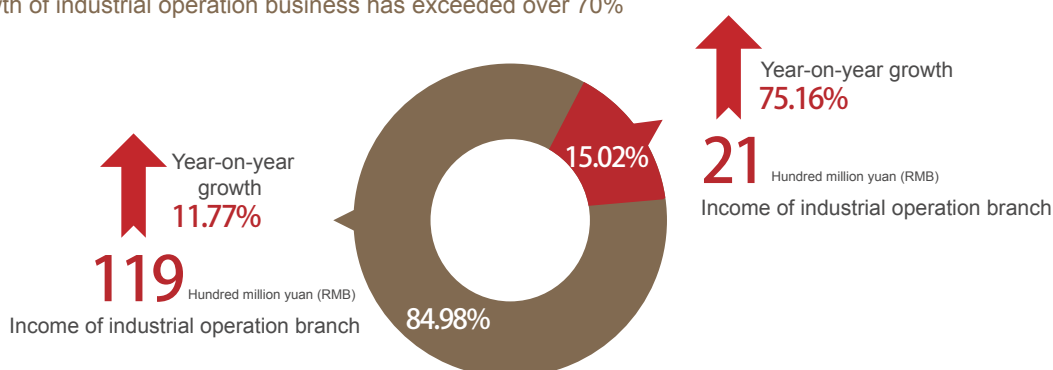


Note¹: The data is the net profits attributable to shareholders of parent company

In 2016, Far East Horizon has continued to develop business in such nine industries as healthcare, education, construction, industrial machinery, packaging, transportation, electronic information, urban public utility and comprehensive development. With successive

issuance of national macro-control policies and further progress of industrial operation of the group, the overall income of healthcare, education and construction industry have increased 24.45%, 37.06% and 13.33% respectively compared with that of last year.

Growth of industrial operation business has exceeded over 70%



Note: Not accounted with business tax and additional tax

Statistics of economic work achievement during 2014-2016

Work Results	Unit	2014	2015	2016
Total revenue of primary business	RMB 100 million	100.61	117.96	139.28
Revenue growth	%	27.87	17.24	18.08
Total profit	RMB 100 million	32.11	35.80	40.72
Profit growth	%	23.45	11.49	13.76
Total tax	RMB 100 million	14	23	28
Total assets	RMB 100 million	1107.26	1393.13	1665.61
Total assets growth rate	%	27.99	25.82	19.56
Total assets growth rate ¹	RMB 100 million	3.26	1.31	0.09
Annual profits of common stockholders	RMB 100 million	22.96	25.03	28.82

Note¹: Government subsidy was mainly government special subsidy, subsidy in 2014 and 2015 was mainly special subsidy fund for business tax changing to VAT and VAT refunds, and subsidy in 2016 also included Corporation capital increase subsidy and subsidy for the Corporation's employee training expense from Pudong New Area government.

Far East has been listed as Fortune China 500 for the first time

In July 2016, the global authoritative financial magazine Fortune (Chinese Edition) has issued the list of “China 500” of 2016. Far East Horizon was one of the two financial leasing companies listed as a Fortune China 500 company for the first time.

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 financial leasing company in China received independent rating for the investment grade of BBB- by two international authority rating institutions of Standard & Poor’s and Fitch and beyond the independent rating of most domestic financial institutions.

That the Corporation has been listed as “China 500” of 2016 by Fortune (Chinese Edition) in July 2016 has marked that Far East Horizon’s business scale officially stepped into the queue of Chinese large-scale enterprises.

Awardee of the 2016 Pudong New Area “Special Contributions to Economy”

In the “2016 Pudong New Area Outstanding Economic Contribution Enterprise Commendation Conference” held by Pudong New Area, International Far Eastern Leasing, as 2016 Pudong New Area Special Economic Contribution Top 20, has been endowed with 2016 Pudong New Area “Special Contributions to Economy” Award.

Since the southward relocation to Shanghai in 2001, Far East Horizon has always insisted on the requirement of “take root in Shanghai, settle in Shanghai”, adhered to operation idea of “Finance + Industry”, constantly brought forth new product and service; with starting, growth and expansion in Shanghai Pudong, it currently has developed to be a leading and innovative financial institution in China.

As of the end of 2016, International Far Eastern Leasing has contributed tax about 8 billion yuan to Shanghai municipal government in accumulation, and

wherein, it has paid tax of 1.518 billion yuan in 2016, ranking No. 33 among Shanghai tertiary industry tax payment top 100 enterprises.



Selected as Managing Director of Lujiazui Financial City Council

In 2016, Far Eastern Leasing has been selected as Managing Director of Lujiazui Financial City Council. Lujiazui Financial City has firstly implemented public governance structure of “industry shared governance + legal institution” across the country, which has been an important measure for reform and innovation of financial system. Far Eastern Leasing as a managing director unit has originated from that Far Eastern has been leader of domestic financial leasing industry and representative enterprise of the industry; over the years, it has made many contributions to financial innovation of Shanghai and developed an important demonstration effect for emergence of financial leasing in recent years.

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
- Member of the Shanghai Leasing Industry Association
- Member of the Commercial Factoring Committee in the Shanghai Pudong New Area
- Managing Director of Lujiazui Financial City Council



4.2 Innovation in financial service

In terms of financial service, the Corporation has ploughed in area and localized operation, and deepened and penetrated the attached real industry; meanwhile, it has continuously taken comprehensive service as the objective and enriched financial product and improved competitiveness via such means as operation simulating investment bank.

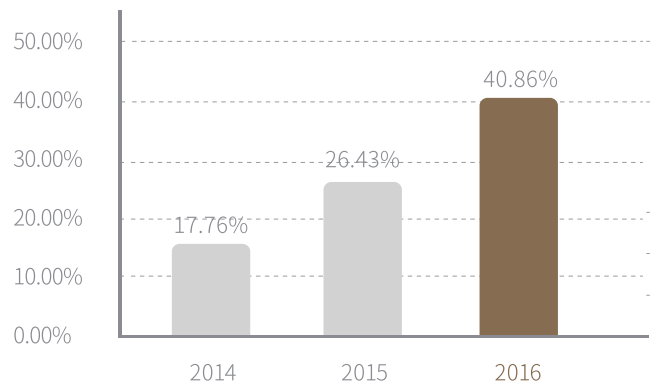
In 2016, with the premise of asset safety, Far East Horizon has continuously stabilized and accelerated development of financial service, taken comprehensive services as the objective while sustaining expansion of business scale, and further enriches financial product and service connotation via such means as operation simulating investment bank to meet multi-dimensional financial demand of customers of real economy.

Optimize financing channels

With increasingly abundant financial means and optimization of debt structure, Far East Horizon has further reduced its dependency on single product and market, and realized diversified financing products, decentralized financing market and more balanced overall liability structure.

In terms of direct financing, the Corporation has further enriched bond varieties and formed the state of continuous issuance; it has issued corporate bond, short-term financing, super-short-term financing and PPN and many other varieties in 2016, and become important issuer in exchange and inter-bank market, with direct financing proportion expanded to 40.86%.

Proportion of direct financing



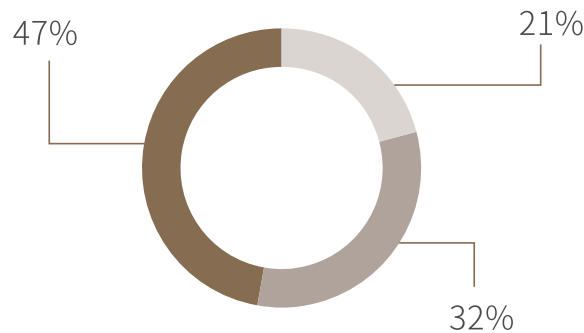
In terms of indirect financing, based on the requirement of strategic development, the Corporation has realized trans-platform credit extension based on existing financing channels, while continuously deepening cooperation relations with core bank channels, further enhancing strategic cooperation and properly distributing product types .

In terms of off-balance-sheet financing, the Corporation has realized asset securitization business financing of 27.7

billion yuan in accumulation in 2016, and became the most active financial leasing corporation in issuing domestic asset securitization product, with capital sources enriched and debt structure optimized. Meanwhile, off-balance-sheet financing has constantly decreased, and the Corporation has possessed the capacity of continuous and effective issuance.

Direct, indirect and off-balance-sheet financing keeping in pace

■ Direct financing ■ Indirect financing ■ ABS financing



Flagship financing projects in 2016

The first insurance project asset support plan has been successfully issued, which has been also the first approved and implemented asset management plan after the China Insurance Regulatory Commission’s issuance of Interim Measures of Asset Support Plan Business Management.

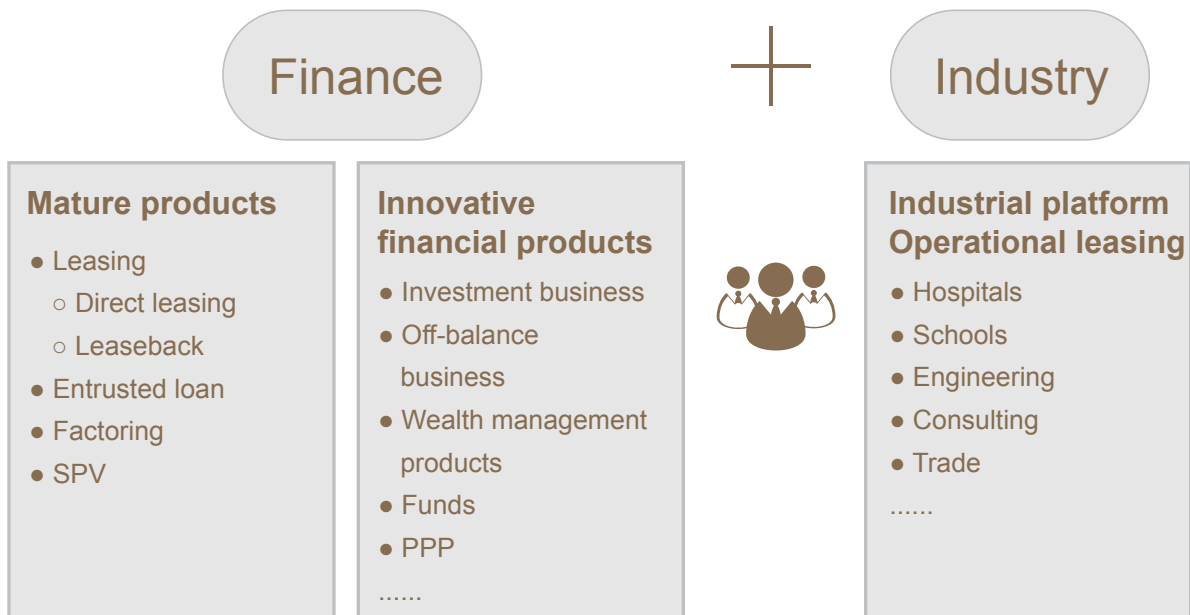
The first ultra-short-term financing bond has been successfully issued, which was a variety newly issued on inter-bank market after Medium-Term Note (MTN), Private Placement Notes (PPN) and Commercial Paper (CP), and provided more convenience for financial liquidity management of the Corporation.

The first Asset-Backed Notes (ABN) has been successfully issued in inter-bank bond market, which was the first ABN that has firstly introduced Special Propose Trust (SPT) as issuance carrier and realized off-sheet accounting, and such issuance has been generally recognized by market as major breakthrough of Chinese asset securitization development.

Innovation of financial products and services

For the purpose of continuous innovation of products and services, meeting diversified and flexible service demand of the customers and creating more value for them, the Corporation, based on original lease and factoring and other products, has integrated such innovative products

as equity investment, structured financing, PPP mode, off-sheet asset, bond funds and fortune management, to further expand customer group and form stable business increment.



Optimize financial product and penetrate the whole industrial chain

In 2016, Far East Construction closely centered on development requirement of high-end customers in infrastructure field, via rapid transformation of service means and supporting system, gradually opened market space, effectively connected the whole industrial chain, and realized another upgrade of traditional financing business.

Far East Construction's financial product open to market has not been single financial leasing further; based on deeply excavating the customer's requirement, via such means as innovative factoring, fake equity real debt and foreign financing, the Corporation solved the customer's actual requirement for various kinds of capitals under limitation of internal management restriction. Meanwhile, Far East Construction further explored bill financing and developed short-term financing product in due time to adapt to the customer's appeal of cash flow management at different stages. In addition, the majority of high-end customers were facing the enterprise transformation requirement of light asset operation. For such purpose, Far East Construction has attempted to innovate against regular direct financial leasing, assisted the customer to successfully implement purchase financing of several large-scale equipment, and laid good foundation for smooth progress of local municipal engineering.

In the future, Far East Construction will continue to take construction enterprise as the core, pay attention to joint development of upstream, midstream and downstream of industry, and assist full development of national infrastructure construction with innovative spirits of making constant breakthroughs.

Establishment of industry fund for the first time

Besides regular capital business implemented by Far East Horizon, Far East Healthcare has met industry customers' capital demand in the form of industry fund trust lease in 2016, which has been the first time in the Corporation and for Healthcare Group.

In 2016, Healthcare Group provided capital services for two healthcare institution customers in a prefecture-level city of Northeast China in the form of trust lease via industry fund established jointly by the Corporation and Guangdong Development Bank, with total project amount exceeding 100 million yuan. Via industry fund structure, Far East Horizon has realized organic combination between its financing capacity in capital market and marketing capacity of client end, and realized a win-win situation among the customer, bank and Far East while meeting customers' needs. In 2017, Far East Healthcare will continuously cooperate with various financial institutions, and meet capital requirement of industry customer via the form of establishment of industry fund.

To respond to deep change of external environment and boost transformation and upgrade of the Corporation's financial business, Far East Horizon has put forward business upgrade idea of "synthesized service and operation simulating investment bank" in due time. Relying on resource accumulation and practical experience formed via taking

root in industry over the years, the Corporation has specially set up Investment Bank Department under Treasury Department, led and promoted corporate investment bank business and financial innovation, formed close linkage with various business departments, and met requirement of vast customers.

First equity investment project's appearance on market and leading precedence of Far East capital investment

In 2016, Far East Horizon's first equity investment project Cayman Engley Industrial Co., Ltd. has successfully been listed on Taiwan stock exchange market, and such project has laid a solid foundation for Industrial Equipment Business Department's strategic investment layout in automobile industry chain toward substance.



Keep a foothold in lease and step off lease

In 2016, “Grand Flight Investment Management Co., Ltd.”, a special asset investment platform founded by Far East Horizon as a main initiator has settled in Shanghai World Financial Center and officially started a new journey. As of today, Grand Flight’s investment team has invested over 1 billion yuan and led the investment in such a batch of star enterprises in emerging industries such as Tuhu Car Maintenance, Yeepay, Baixing.com, Master Learner, Missfresh, vTradEx and Kaxingtianxia.

Grand Flight Investment has been an important link to implement Far East’s “Finance + Industry” development strategy and build Far East business ecosystem, and an important step for Far East’s “keep a foothold in lease and step off lease”. It formed important flank synergistic effect with Far East’s main business, and made a firm step in terms of boosting combination between the Corporation’s creditor’s right and equity right and realizing mutual coordination between businesses.

4.3 Promoting Industrial Development

“Finance + Industry” strategy

In terms of industrial operation exploration, relying on industry deposits, the Corporation has accelerated implementation of industrial operation strategy in such directions of healthcare, education and infrastructure, coordinated with financial service, established unique business model, and ensured overall, continuous and stable growth of the group.

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.



Support real economy and pay attention to national economy and people’s livelihood

Over the years, Far East Horizon has accumulated excellent industrial experience and customer basis, and centralized energy and gathered resources in industrial operation direction that involved national economy and people’s livelihood under the strategic guidance of “Finance

+ Industry”. In 2016, the Corporation has actively promoted exploration and innovation of industrial operation mode in such areas of healthcare, construction, education and infrastructure upgrade, and obtained excellent effect.

Far East Healthcare: “Return to origin of healthcare and manage healthcare on a long-term basis”

In the healthcare field, Far East Horizon adheres to the value of "serving Chinese healthcare industry and concerning national health". 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.

Far East Horizon has carried out industrial investment based on the objective of a hundred-year-lasting “Far East Healthcare”, put in lots of painstaking efforts and time on operation after investment, and improved technical level, management level and comprehensive of each hospital of the group via systematic work. Although it is difficult to see financial effect in a short time, the idea of “returns to origin of healthcare and manage healthcare on a long-term basis” has been highly recognized by “the invested”.

Based on profound understanding of healthcare industry in previous 15 years, we take the position that China’s basic level healthcare service capacity fails to meet the requirement far behind, and currently, the country is giving great impetus to the policy principle of

layered diagnosis and treatment (“serious illness will be treated within the county, the county territory shall solve 90% healthcare service”); therefore, although the hospitals invested by Far East Horizon are mostly located at the grass-root level, they have considerable local competitiveness in terms of public appreciation and capacity, with some hospitals becoming the hospital with the largest service volume in the locality.



Far East Healthcare

- Far East Healthcare is devoted to create “healthcare eco-circle” with openness as idea, innovation as drive, coordination as support, and win-win situation as objective and has become the health industry operation and service provider that has the most comprehensive strength in China.
- Domestic healthcare institutions, healthcare manufacture enterprises, healthcare circulation enterprises and public health agencies are served with diversified healthcare businesses including capital, investment, technology and management.
- As of December 2016, Far East Healthcare has served over **2,500** institutions, with invested capital of nearly a hundred billion yuan; It has reached **20** group hospitals (with **15** deliveries completed), over **7,000** open beds, total employees of **3,300** above, annual outpatient volume of **1,032,000** person-times above, surgery volume of nearly **30,000** person-times, and establishment of **12** provincial and municipal key specialties.

Far East Education: Carry forward Chinese culture and promote national education

Rooting in the fields of Chinese education, science and technology, culture and sports, Far East Education, with abundant capital, long-term patience and outstanding team, has been devoted to provide vast institutions in education, science and technology, cultural and sports fields with industrial comprehensive operation service including financing, investment, asset management, industry operation, consultation and planning. Far East Education financial service was initiated in 2003 and had provided diversified financial solutions for over 1,000 education, science, culture and sports organizations across the country. Meanwhile, Far East Education has positively invested industries and operated many entity businesses, and has preliminary spread layout in direction of kindergarten, international school, occupational education, online education and culture and tourism.

Adhering to the responsibility and idea of “carry forward Chinese culture and promote national education”, Far East Education hopes to make continuous investment

in education field, and has determined to promote the advancement of China’s education, science and technology, culture and sports undertakings and become an industry development pusher and key participator that has profound influence.



Far East Education

- Far East Education has positioned at “people first, fusion of Chinese and western, elite education” and considered to step into layout of whole industry chain of education under appropriated opportunity.
- **12** sites for high-end kindergartens have newly been signed, with **4** kindergartens in operation, and **2** international schools have been in operation.
- There were over **930** students, with growth of nearly **100%** compared with that in the end of **2015**.
- Education institution has realized operation income of **116** million yuan (RMB), with a year-on-year growth of **1063.87%**

Far East Construction: Participate in construction of national level PPP demonstration project and assist urban upgrade

In recent years, Far East Construction has actively responded to the country's policy guidance and call for prompting infrastructure development by virtue of PPP mode, got involved in and deeply participated in infrastructure construction field via guidance of project investment, fully cooperated with local government, high-end enterprise customers of building industry and various kinds of financial institutions, established effective and multi-win operation format, and propelled the business progress in accommodation of funds, device engineering and project investment.

Far East Construction has actively participated in PPP projects of sponge cities and underground comprehensive pipe galleries, and made positive contributions to upgrade of urban inner structure and optimization in the course of new-type urbanization. Meanwhile, complying with national requirement and call for efficiency, energy saving, environmental protection and green of building industry, Far East Construction has actively popularized application of galvanized scaffold and aluminum alloy template and other new-type building support equipment and materials to improve safety and effectiveness of building engineering construction.

In October 2016, Binjiang Landscape Belt of West Bank of Tuojiang River, Ziyang City, Sichuan Province, Far East Construction has won the bidding of which, has been rated as national level PPP demonstration project. Rapid layout and acquisition of achievement of PPP project in Far East has originated from powerful capital operation capacity, capacity in three-dimensional marketing and market deep ploughing, and highly professional team operation ability of Far East. Far East Construction will continue to focus on infrastructure development fields represented by sponge city and underground comprehensive pipe gallery, and make contributions and provide service for national level development requirement for new-type urbanization and building industrialization.



Lead industrial development

While funding industries 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.

The Urban Public Utility Department has assisted the development of green transportation, green environment and green energy and other environmental protection industries

The Third Passenger Transport Finance Summit Forum of Far East Horizon

As a high-level communication and interaction platform, the forum is set for public transport enterprises to promote resources integration, interaction with high-end customers and industrial development. The forum, with the theme of “Green Public Transport and Innovative Finance”, has officially released The Latest Three-dimensional Product and Service System of Far East Horizon Public Transport Industry to public, and held “Far East Horizon• Green Public Transport Special Support Program” customer acknowledgement ceremony. Sub-forum discussion form has continued to be used against public transport industry hotspot topics, which has provided more personalized communication opportunities to the participants.



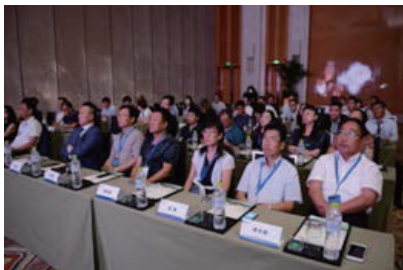
The first public transport enterprise management training class of Far East Urban Public Utility College

The class has been a comprehensive learning exchange platform created for middle-senior managers of public utility enterprises, which has helped entrepreneurs to promote management vision and accumulate industry resources via management training class and management tour speech. Far East Urban Public Utility College has been an important content of value-added service to be provided for the customer by “Far East Horizon• Green Public Transport Special Support Program”.



The Second Heating Power Finance Summit Forum of Far East Horizon

The forum has deepened industry development hotspot topic and paid attention to the opportunity for industry development provided by supply side reform, and has furnished development assistance for heat-supply enterprise.



4.4 Provide high-grade service




In 2016, under the overall background of macro-economic situation slowing down and adjustment and upgrade of industry, the Corporation has adhered to operation idea of “Finance + Industry”, closely embraced real economy, developed feature and advantage of “absorbed in industry”, understood customer requirement deeply, and provided comprehensive and diversified product services.

One-stop customer service

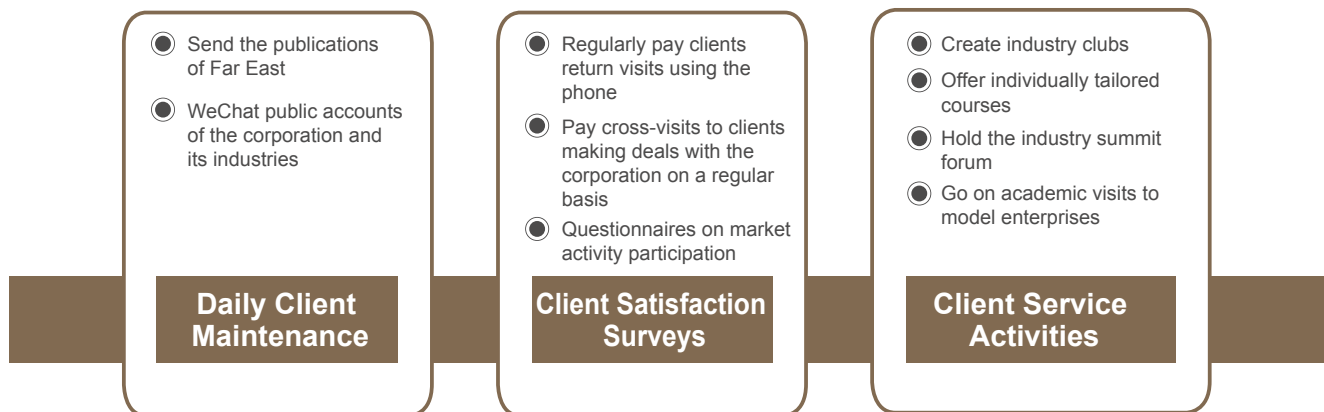
Far East Horizon has constantly realized innovation and breakthrough, provided high-grade, diversified and one-stop service, met the customer’s requirement, provided customer with professional service and created more value for the customer. The Corporation created a client relationship management system 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. To improve customer service quality and service level, the Corporation has established customer complaint treatment system. In 2016, the Corporation has received 4 customer complaints, and Auditing Department has been responsible for investigating and treating complaint matters and offered timely feedback.

Customer Service Goals

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

Customer service system



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.

"Financial Intelligence Collection" designed for financial management and improvement of hospital has provided relevant courses for over 700 financial managers in nationwide hospitals; Our "Workshop" integrating domestic and overseas excellent teachers has given lessons to hospital managers in terms of hospital operation, performance management, grade review and international review, which has covered over 250 people; Furthermore, over 200 healthcare industry managers have participated in Far East Healthcare "Healthcare Vision", which has shared professional knowledge via meeting and visit and broadened strategic vision by trans-boundary.

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.

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 confidential information management system, stipulates and strictly carries out the Confidential Information Management Regulations. With integrated management from the Departments of Business 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 are 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, and used strict authority management means to ensure the safety of client information.

5. Provision of high-grade environment and joint growth with employee

Employees are fundamental to the infinite development power of Far East Horizon. Over the years, we earnestly listen to their voices, and 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 stressing common development of the Corporation and staff, and encouraging cooperation and collaboration to share the fruitful achievement.

5.1 Employee rights

Protecting Employee Rights

Far East Horizon devoted to provide the employees with fair development opportunities, strictly executed Labor Law, Labor Contract Law and other regulations and policies to safeguard the employee’s rights, and signed Collective Contract of International Far Eastern Leasing, Special Contract of Protecting Female Employees’ Special Rights and Interests of International Far Eastern Leasing with labor union at the same time. The Corporation covered “five social insurances and one housing fund” for all employees in full amount according to law and actively formulated diversified equal policies, provided employees with fair post promotion and demotion system and remuneration reward plan, and implemented remuneration welfare system with no regional difference and no gender

difference. The Corporation concerns employees’ needs, 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.

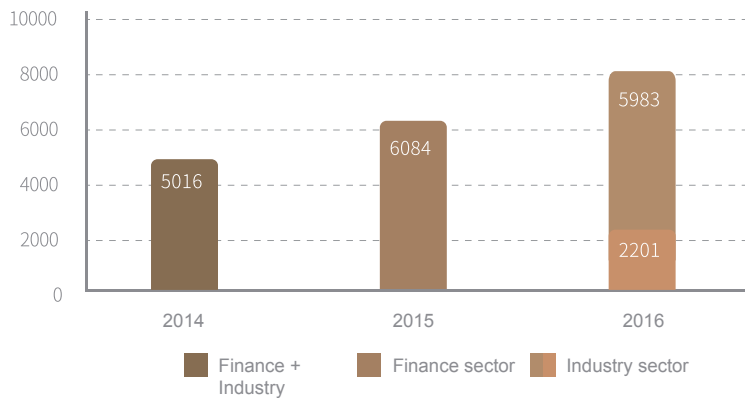
At the end of 2016, the Corporation has a total amount of 2,201 employees in finance sector, and 5,983 in industry sector. The Corporation has achieved labor contract signing ratio of 100%, and no discrimination incident, employment of child labor, or no incident that the Corporation has forced and compelled labor or involved in infringement of the employee’s interests has occurred.

Little Red Umbrella employee comprehensive service platform

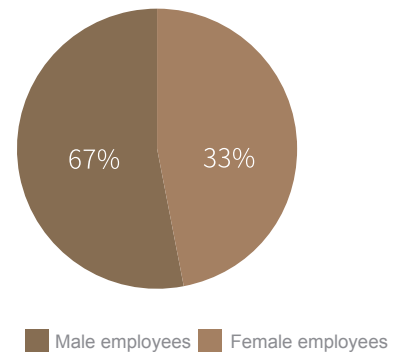
To improve employee service experience, the Corporation has organized four functional departments of Group Office, Human Resources, IT Department and Financial Department, and opened up online “Little Red Umbrella” comprehensive service hall, which has been online on September 1, 2016. The “Little Red Umbrella” has set up service hotline 1890. The employee only needs to remember the number 1890 to keep personnel, administration, IT and financial service in hand.

As inner employee service brand of Far East, the “red” of Little Red Umbrella originates from red of Far East, and four umbrella ribs corresponding to four employee services of employee care, travel logistics, IT service and expense reimbursement, which means that Far East’s Little Red Umbrella keeps out wind and rain and convoy Far East people.

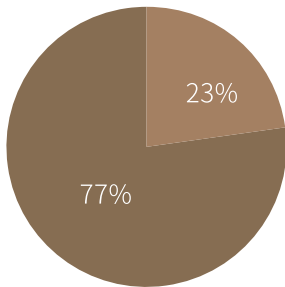
Total number of employees during 2014-2016



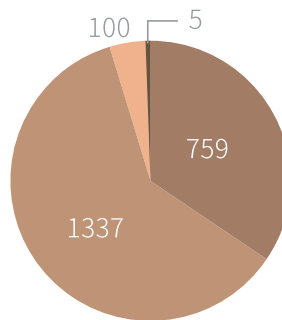
Finance sector employee sex ratio in 2016



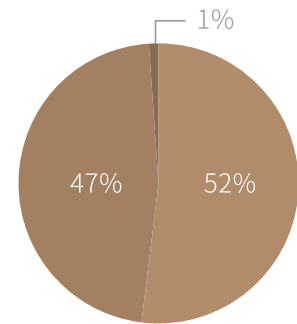
Finance sector management sex ratio in 2016



Finance sector employee diploma structure in 2016 (Unit: Persons)



Finance sector employee ratio by age in 2016



- Male employees
- Female employees
- Doctorates
- Masters
- University Undergraduate
- College and below
- Number of employees above 50 years old
- Number of employees above 30 years old and below 50 years old
- Number of employees below 30 years old

Democratic participation

The Corporation sets up multiple channels such as president mailbox and rationalization proposal platform to safeguard the employees' rights to make suggestions participate in and supervise democratic management. Meanwhile, The Corporation calls on employees to play the sense of ownership and encourages employees to participate in enterprise management.

The Corporation has insisted in execution of Worker's Congress System in 2016 and convened Worker's Congress twice. The Congress has deliberated many rules and regulations and relevant major events related to vital interests of the employee and maintained the employee's interests.

Have lunch with senior managers

The Corporation has held the activity of "who will have lunch together" monthly, and the employee awarded with "star of the month" would have lunch with senior managers of the Corporation face-to-face and with zero distance, and make conversation and communicate regarding work and life problem. The activity has been designed to shorten the distance between senior managers and employees, and allow the employees to know the Corporation's development course and strategic direction more factually and the Corporation to pay attention to the employees' appeal more directly. The activity has set up a good communication channel and built open and inclusive cultural atmosphere.



5.2 Employee Development

Employee training

Under the overall background of industry innovation and development, one of the core competitiveness of the Corporation in future is talent, and the core of talent competition is the competition of learning ability. Followed talent idea of “behave: honesty, cooperation and willing-to-learn; act: earnest, innovation, pursuit of excellence”, The Corporation has put significant resources in 2016 to prepare training plans covering employees working at the production line to senior management from up to bottom, and provide each employee with a platform to fully give

play to talent and motivate potential.

The Corporation has established self-check, self-driven and self-improvement learning organization via Far East College, Far East E-learning platform and training information management system, which allowed employees to pay attention to their own personal development, give full play to their advantage and interest, break through comfort zone during the stage of knowledge sedimentation and experience accumulation, realize personal value and build team atmosphere of staff learning and lifelong learning.

Employee training situation of Far East Horizon in 2016

Indicator	Unit	2016
Total person-times of employee trainings	Person-times	37,668
Employee training coverage	%	98
Total expenditure of employee trainings	10 thousand Yuan	870

Improve use experience, with new revision of learning platform

To meet overall training requirement of employees, the Corporation has launched Far East College Learning Platform in 2015, provided abundant curriculum resources for employees, including 16 classifications and 350 curriculums, and newly added training resources in healthcare, education and construction and other industrial directions. In 2016, employees spent a total of 8,500 hours learning on Far East College Learning Platform.

With gradual deepening of strategy transformation of the Corporation, both business development and user’s use have proposed new requirement for the Corporation’s learning platform; thus, the Corporation has made upgrades and revisions on Far East College Learning Platform based on extensive investigation, implemented transformation and optimization on learning home page, curriculum supermarket and curriculum play page, and newly added learning special subject and interactive questioning and other functions. It would bring clearer learning guidance and more convenient learning feelings for the employee after the new edition has been online. Meanwhile, the Corporation also carried out synchronized upgrade on PC end and mobile end to allow the employee to realize seamless switching.



New edition of home page of Far East College

Transmit innovation idea and popularize knowledge of investment bank

To accelerate realization of transformation objective “synthesized service and operation simulating investment bank” of the Corporation, promote upgrade of knowledge structure and capability model of first-line manager and Customer Manager and meet relevant training requirements on innovation business of the employee, Far East College has initiated “Sailing Plan” simulating investment bank training sessions in mid-August.

“Sailing Plan” simulating investment bank training sessions were held with the integration of external investment resources by the Corporation under the support of Treasury Department and President Office, for the purpose of broaden employees’ horizon and helping them understand the scope and basic business mode of investment business. The Corporation has also, with the help of member of innovation team, transmitted simulating investment bank curriculum from independent joint development to vast First-line Bank Presidents and Customer Managers in the form of “deliver curriculum to office”, and carried out site communication to answer questions.

- Curriculum delivery has covered **15** offices of the country
- Key Points of Financing of Listed Company curriculum
- Colleagues of Treasury Department, Legal Affairs Department and Financial Department have had direct contact with the first-line and make deep communications



Centralized training for backbone with great potential, and the fourth “Pine Seedlings Plan” has been held

“Pine Seedlings Plan” has been the classical training project of the Far East College for backbones with great potential since 2013. In 2016, external environment change has further increased challenge to development of business. The fourth “Pine Seedlings Plan” thus has focused on excellent Customer Manager at reception desk and establishment of platform for learning promotion and communication sharing. During September 2-3, nearly 50 students of “Pine Seedlings Plan” from various business departments have participated in a two-day centralized training.

Via the two-day curriculum, the students have broadened their vision, strengthened innovation thought and awareness, and understood that pursuit of excellence, facing the difficulty, innovation and seeking for change, being stable and calm and being hungry for knowledge were common characteristics and also “inner mental cultivation methods” continued to be practiced by Customer Manager on the road to excellence, while

customer management, product management, time management, emotion management and resource management were “secrets” of Customer Manager. The students have also been aware of investment bank products more comprehensively via systematic learning, which was favorable for breaking through established thought, actively facing challenge, achieving a better self and growing with Far East in future career.



Career Development

Far East Horizon has encouraged employees to develop their advantage and interests and realize personal value according to the Corporation's development requirement.

The Corporation has prepared diversified promotion channels which met the career development demands both for technical specialists and management talents.

Train industrial and technical specialists with “a Thousand Talents Plan”

To attract excellent professional talents from various industries, reinforce the Far East specialist think tank in various industries fields, and provide high-grade intelligence safeguard for industrial development, the Corporation has made the Far East Horizon “a Thousand Talents Plan”, which conducted centralized and effective identification and standardized management for industry talents of various platforms.

Such plan has been designed for talents with certain professional accumulations in various professional fields, especially those scarce talents closely related to the Corporation's production operation and future development; the Corporation has formulated admittance conditions in accordance with different specialist levels, including national professional qualification certificate or professional title, performance, employment time at post, employment time in industry and other dimensions. For personnel rated as “specialist” upon deliberation and approval, Far East Horizon Human Resource Department has established specialist profiles to keep track of the performance of specialists, on-post situation and master dynamic state of specialist at any time.

5.3 Employee Care

Employees are precious treasure of the Corporation; Far East Horizon has taken the provision of healthy, comfortable and cozy working atmosphere for employees as an important topic worths continuous attention, and created balanced work and life environment for employees via all kinds of efforts.

With the help of “love funds” of labor union, the Corporation has created “Supported Beloved Ones” project and

“Milk Bottle” project, organized and supported to carry out over 400 activities, and subsidized and condoled 199,000 yuan to employees in difficulty and their families. In the meanwhile, the Corporation has safeguarded the employee's physical and mental health in an all-dimensional manner via various kinds of female worker, parent-child, health and other physical and mental lectures.

Who is “the Person with Far East Horizon Spirit?”

In 2016, the Corporation started the third season of “Far East People in my mind”, namely “home and dream” themed drawing collection for Far East's little members, which has organically combined “Big Family of Far East” and “Small Family of Employees” and thus formed a good cultural atmosphere. With drawing the outline of “home” and “dream” in the mind and igniting true love with children's simplicity and fun, Far East employees were coagulated with harmonious atmosphere of “home”.



“Happy Goddess Season”

In 2016, the Corporation has carried out “Happy Goddess Season” serial activities, organized flower arrangement and tea art experience curriculum to cultivate temperament with flower and cultivate moral character with tea, improve occupational quality of female employees of the Corporation, and appreciate essence of Chinese culture. In addition, the Corporation has also conducted guidance lectures for physical and mental health of the female, which answered questions from female workers of the Corporation, and shared healthy life attitude and scientific method.



Parent-child activity, Far East People’s wonderful time with child

To allow the employees to have more opportunities for parent-child interactions with babies, enable more Far East parents to have time to accompany their children’s healthy and happy growth and reserve wonderful memory, the Corporation has held a series of parent-child activities with diversified patterns and abundant contents.

Far East Horizon has organized “One Far East, One Family” parent-child carnival activity in International Children’s Day jointly with Montessori Academy and Gaoze Xiangyuan, with participating personnel covering corporate headquarters and three major industrial directions, and there were over a hundred people involved in such activity. In July, Far East labor union has held “Best Learning of Children English”, “Parent-child Oil Painting” summer parent-child special activity for children at different age groups. In December, “Christmas Parent-child Picture Book Story-telling Session”, hosted by Far East labor union club----Far East Qijing Reading Club, with Far East Education and Montessori Academy as co-organizer, has invited Far East employees’ family to spend a wonderful Christmas in Biyun Montessori Academy.



6. Perform safety and environmental protection responsibility and stabilize enterprise operation

Environmental and Safety is an indispensable pillar for business continuity. Far East Horizon has strived to reduce the influence from its operation on the environment, uniformly managed environment and safety of Industry Sector, promoted development of green industry via Green Finance, and carried out enterprise operation in a responsible manner.

6.1 Environmental Management

Management philosophy

As a responsible corporate citizen, Far East Horizon thinks that environmental protection has been a major issue faced by human civilization and a duty that should be jointly undertaken by the entire society members. Currently, our country is at a key moment of economic structure adjustment and development method transformation and has put forward new requirement for supporting green industry and sustainable development of economy and society. On one hand, the Corporation has developed the advantage of innovative finance service, supported development of Green Finance with great efforts from the view of overall situation of economic sustainable development, and guided social financial support and promoted construction of ecological civilization via optimizing resource configuration on capital market; On the other hand, the Corporation has conformed to the green development trend, supported the environment improvement in the industrial operation, actively dealt with the climate change, enhanced the resource conservation efficiency and fulfilled the enterprise environmental responsibility.

The Corporation has constantly pushed industrial layout towards building construction, sanitary and medical

services, public education and other industrial entity platforms. At the end of 2016, the Corporation has governed over 30 holding industrial entity enterprises of various kinds, with nearly 6,000 employees.

With continuous extension of industrial entity, according to the guiding thought of the 13th Five-Year Plan Outline for National Economy and Social Development of the People's Republic of China and Overall Reform Plan of Ecological Civilization, the Corporation has strictly observed Environmental Protection Law, Water Pollution Prevention Law, Air Pollution Prevention Law, Solid Waste Pollution Environment Prevention Law, Administration Rules for Medical Waste and relevant laws and regulations in location of industrial operation, the Corporation prepared resource utilization policy, environmental safety accident management specification, emergency response and preparation management specification for three major industries, promoted industrial progress, and constantly improved its management level and performance. In 2016, healthcare, construction, education and environmental protection facilities have been in stable operation, and wastes have realized qualified and standard emission.

Management performance

- Far East Horizon has raised capital of 200 million yuan for solid waste treatment, sewage treatment and other environmental protection industries;
- It has released capital of 960 million yuan for Green Public Transport Special Support Program;
- No environmental pollution incidents occurred throughout the year.

Whole course of environmental management	Responsibility principle
Its operation	For office environment, it has provided the employee with high-grade office environment and implemented green office
Business development	For financial business, it has offered active guidance to environment-friendly enterprise and invested green industry
	For industrial investment, it has taken environment risk factor into consideration and reasonably avoided enterprise with "high pollution, high energy consumption and excessive production capacity"
Cooperative partners	For industrial operation, the Corporation has complied with environmental principle and penetrated green idea in industrial development
	During cooperation with partner, it has actively exerted influence and achieved good environmental and social performance in synergy

Environmental influence identification in Finance sector and Industry sector

Via identifying the influence from different business segments on environment and natural resource, Far East Horizon has completely sorted the emphasis and key

performance in its environmental management, prepared specific management measures, and fully improved its environmental performance.

Segment	Important environment influence
Finance	Office space: Energy utilization, employee’s business travel, office consumption
Industries	Far East Healthcare: Medical waste, medical waste water, household garbage
	Far East Construction: Energy utilization, building garbage, dust, noise
	Far East Education: Indoor air quality, household garbage

Far East Horizon industrial environmental management system

The Corporation has implemented strict environmental management on subordinate industries and helps them to improve environmental performance. Subordinate industries has been strictly supervised to perform environmental influence assessment and environmental monitoring and acceptance requirements of environmental facility construction and after the completion for new, transformed and expanded engineering project to ensure that environmental facility would realize stable operation and standard acceptance and the emission would meet requirement of new environmental protection law. Meanwhile, based on standard operation of environment treatment equipment and disposal of hazardous waste, the Corporation has practically carried out normalized management on pollutant emission, and conducted daily strict monitoring on main pollutants and featured pollutants emitted by the enterprise.

6.2 Green Finance

The Corporation has defined its environmental responsibility in operation activities, fulfilled the idea of ecological civilization, and incorporated potential environmental influence during financing process into its responsibility system while reducing business operation’s influence on environment, to achieve the purpose of boosting social sustainable development via guidance of economic resource.

In August 2016, seven ministries and commissions including People's Bank of China have jointly printed and issued Guidance Opinions on Construction of Green Finance System. Responding to the call, the Corporation has actively undertaken responsibility of financial service institution, invested green industry, developed green business, controlled pollution investment more effectively at the same time, and promoted development of green economy.

Continuous optimization of credit extension system in management industry

Besides, Far East Horizon established an industry credit system based on environmental performance and listed engineering machinery, smelting and mining machinery, petroleum equipment, ferrous metal smelting as well as

chemical engineering with relatively high environmental risks 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.

In 2016, under the guidance of green finance idea, Far East Horizon has further completed relevant policies, and constantly enhanced optimization management on credit extension resource configuration. On one hand, the Corporation has strengthened credit extension support for customers in such industries as healthcare, education, tourism, green environment and high-tech industry vigorously advocated by national strategy, including increasing credit extension proportion of such customers and raising overall asset proportion of such industry customers, and asset growth and its asset proportion of such industry customers has an obvious promotion. On the other hand, it has strictly prevented lead-in of customers of industry with “high pollution, high energy consumption and excessive production capacity” and deep adjustment in supply side reform, namely forbidding lead-in of industries with high pollution, high energy consumption and excessive production capacity, such as steel, coal, glass and cement industries.

Offer assistance in flourishing of environmental protection industry

In 2016, the Corporation has continued to support customers and projects in fields of low carbon, energy saving and environmental governance, actively fulfilled green finance, and fully exerted capital agency’s guiding effect on environmental protection industry.

The Corporation has concluded transaction of 180 million yuan with 3 enterprises in solid waste treatment industry in 2016, reached strategic cooperation relationship with 2 enterprises, and invested capital to offer assistance in construction and operation of their newly added garbage incineration project and hazardous waste treatment project; for the new project, garbage incineration treatment volume would be 30 million ton/year, and hazardous waste treatment volume would be of 200,000 ton/year. Meanwhile, the Corporation has concluded a transaction of 20 million yuan with 1 enterprise in wastewater treatment industry, which has mainly been invested into municipal wastewater and industrial wastewater treatment enterprise.

Build green city together

To comply with industrial development tendency, Far East Horizon has launched a package long-term special support plan covering full industrial chain of transportation, environmental protection and energy and meeting all-dimensional requirements of the enterprise towards upgrading and updating and green development in fields of urban transport, urban environmental protection and urban energy, including Green Public Transport Special Support Program, Green Environmental Protection Special Support Program and Green Energy Special Support Program.

Three special support programs, covering a series of innovative financing services, industrial supporting services

and relevant value-added services specific to the fields of urban transport, urban environmental protection and urban energy, have been designed to improve carrying capacity of public transport and people’s travel conditions, reduce urban vehicle exhaust pollution and energy consumption, promote urban environmental protection enterprises to enhance the level of environmental management, enhance supply efficiency of urban energy, lower air pollution level and energy consumption, and propel healthy and sustainable development of fields of transport, environmental protection and energy of Chinese city. In order to achieve win-win enterprise benefits and social benefits.



Financial service

- Direct financial leasing
- Sale-leaseback
- Operating lease
- Mixed lease of vehicle
- Duanrongbao
- Note-in-one, note chain
- Factoring business
- Entrusted loans
- Asset management plan
- ABS service



Industrial service

- PPP cooperation mode
- Industrial direct investment



Value-added services

- Far East series fund
- Far East urban utility forum
- Far East urban utility college

Green Public Transport Special Support Program

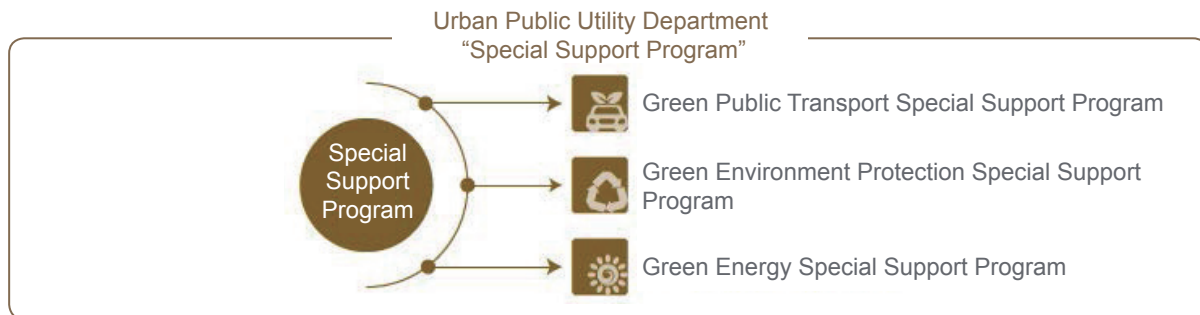
In 2016, Green Public Transport Special Support Program has released capital of 960 million yuan in total, wherein, 60% or so has been used for purchase of new energy vehicle, with over 700 new energy vehicles in total have been released into urban public transport system, and 70% of such batch of new energy vehicles have been used as pure electric buses, 30% as hybrid power buses, which would make tremendous contributions to urban energy saving and emission reduction.

Green Environmental Protection Special Support Program

In 2016, Green Environmental Protection Special Support Program has released capital of 200 million yuan, which was used for supporting environmental protection enterprises' investment in such fields as wastewater treatment, garbage incineration and hazardous waste treatment and making contributions for improving urban environment.

Green Energy Special Support Program

In 2016, Green Energy Special Support Program has released capital of 16.1 billion yuan, which was used for supporting eradication of medium and small coal-fired boiler by urban heating power enterprises, addition of desulfurization and de-nitration equipment, updating centralized heat supply network and urban gas enterprise's achievement of "coal changed into gas" and transformation of outdated pipe network, reducing air pollution level and energy consumption, and enhancing supply efficiency of urban energy.



6.3 Green Operation

Green office

As an innovative financial service institution, office consumption and business travel are important parts of the Corporation's influence on environment. In 2016, the Corporation has actively propelled energy saving transformation of office space and popularized video

conference in Shanghai headquarters and 15 branches and offices in China to reduce its operation's influence on the environment. With unremitting efforts, the Corporation achieved remarkable results in green office development.

Category	Main management content	Results
High-grade environment	Control and detection of office decoration environment, office greening, primary air system	
Save resource	Green business travel, teleconference and video conference, action of saving electricity, water and paper	The number of video conference increased by 81.5% Electricity consumption has reduced by 36.7% compared with that in 2015 Total consumption of office paper has reduced by 8.3% compared with that in 2015
Waste management	Electronic waste management	The number of obsolete toner cartridges decreased by 99.9%

Green building

While the Corporation provided the employee with high-grade office environment, it has emphasized on the reduction of environmental consumption by office space and saved energy as far as possible. International Far East Leasing subordinate to the Corporation has developed and constructed office building Far East Horizon Plaza for own use, which took green building two star level as design and operation objective, and all buildings in the plot were in accordance with technical requirement of Green Building Assessment Standard GB/T50378-2014.

During building design of Far East Horizon Plaza, the Corporation has constantly optimized its design scheme, given full consideration to local resource, climate condition, site feature and utilization function, and had excellent performance in sustainable site, water saving, energy saving, material saving and indoor environment. Meanwhile, the Corporation has applied building information model (BIM) technology in building planning and design, construction and operation and management stages to improve environmental performance during the whole course.

Far East Horizon Plaza water resource service efficiency enhancement measures

Aspects	Specific measures
Sanitary fittings for water saving	Water use efficiency level has reached Level II requirement of national relevant water saving instrument standard;
Water-saving irrigation	90% of greening has applied rainwater irrigation, drop irrigation and other water saving irrigation systems, and configured soil humidity sensor, rainfall blanker or water supply control system; Indigenous plant suitable for local climate and soil condition has been selected as greening species, as well as multi-storied greening including arbor and shrub;
Other water-saving equipment	In addition to sanitary fittings, greening irrigation and cooling tower, other water use equipment has applied water saving technology or measure, and use level proportion has reached over 80%; for example, water-saving water torch has been applied for garage and road flushing, and water saving dish-washing machine in kitchen;
Non-traditional water resource	Roof rainwater has been collected into rainwater collection room in ground floor, and rainfall tank has a volume of 50 m3. It would be saved into reuse water clean-water basin after treatment and used for ground greening irrigation, road flushing water and waterscape water supplement.

6.4 Occupational Health and Safety

In accordance with national Safety Production Law, Employment Injury Insurance Rules and other laws and regulations in terms of occupational health and safety, the Corporation has prepared Key Points for Health and Safe Environmental Protection Work, insisted health and safety environment (HSE) policy of “one post with double responsibilities, participation of all employees, risk management, and accident prevention”, established group management mechanism with clear rights and obligations and distinct hierarchy, and enhanced occupational health and safety management. The Corporation has stuck to red line, focused on problem, paid close attention to the first-line, upgraded management, perfected all levels HSE organization and leadership responsibility system, improved HSE awareness and capacity level of all employees, built safety foundation safely, prevented accident effectively, promoted improvement of management level, and ensured safe and stable operation of the Corporation.

In allusion to occupational health and safety management requirement of Far East Construction and Far East

Healthcare subordinate to the Corporation, the Corporation has supervised various construction companies and hospitals to carry out identification of occupational hazard factors, amendment of occupational health custody guideline, physical examination for occupational disease before, during and after post and site monitoring of occupational hazard factors and other works.

The Corporation has strengthened comprehensive risk identification, enhanced implementation of safeguard measures in daily supervision specific to risk of fire at site with dense people and engineering construction accident, and taken accident accountability seriously. Moreover, it has continuously improved health and safety management improvement via management diagnosis, benchmark construction and capacity construction. It has continued to supervise stock compliance problem via listing; It has incorporated compliance problem introduced by new project into major work plan and actively solved it. The Corporation issues safety instant reward to first-line employee with good performance in safety responsibility.

Management performance

- No safety production accident resulting death of personnel (including customer and contractor) has occur throughout the year;
- Lost man-hour rate per million man-hours in major engineering project was 205, which was significantly better than average level in domestic building industry.

Rating of safety skill benchmark project in 2016

The Corporation has carried out safety benchmark construction rating activity in September, further enhanced HSE benchmark establishment work, set up first-line model, absorbed experience of inner excellent benchmark project of the Corporation, and constantly improved operation site management standard and operation level of subordinate enterprises. In the meanwhile, the Corporation has encouraged good HSE performance of first-line industrial worker, improved safety awareness and safety skill of first-line industrial worker, effectively responded to accident risk due to construction and production peak period, and ensured continuous and stable safety production situation of the Corporation.



Safety construction management of Far East Horizon Plaza

To implement responsible investment, the Corporation has actively publicized HSE idea of “risk control, prevention first”, and continuously improved the employee’s HSE awareness and good performance via continuous training and tracking and enhancement. The Corporation has actively carried out safety training, various emergency drills, safety knowledge contest and other activities, and improved safety culture comprehensively in 2016.



On June 17, 2016 among national safety production month, the project has organized all employees to convene safety month mobilization conference designed to make all parties participate in safety supervision and conduct self-discipline on safety actions.



The Corporation has organized emergency drill and site healthcare rescue practical operation drill activity against collapse accident in the stage of excavation of foundation pit in safety month, with the purpose of acquainting emergency procedures, strengthening site response of emergency team, and improving the capacity to dispose emergency.



In September 2016, the Corporation, as general contractor of the project, has organized passenger and goods elevator, tower crane group to carry out training meeting for correction of special operator operating procedures and common violation actions in the project.



In December 2012, at which month the project has achieved milestone objective of 1.5 million safety man-hours, in accordance with project HSE motivation plan, the Corporation has issued material object reward to operators.

7. Devote to programs for public good and help improve people's livelihood

As a responsible corporate citizen, while boosting China's economic development directly via industrial service, Far East Horizon also has fed back to the society directly in several methods. Over the years, Far East Horizon has insisted in helping improve people's livelihood in three major fields of education, poverty relief and healthcare via Horizon Charity Foundation platform, and promoted healthy, stable, constant and harmonious development of the society.

7.1 Supporting Social Welfare

Far East Horizon set up Horizon Charity Foundation in Shanghai and Beijing respectively. Since its establishment, the Corporation 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 2016, Horizon Charity Foundation totally carried out 21 charity projects covering 17 cities in China, invested about 3.8 million yuan and benefited 5,000 person-times.

Charity Foundation has invested over 2.3 billion yuan in total, with main expenditure covering Horizon Scholarship, Horizon Stipend and Qianlicao Education Assistance and other projects in education field; Since the establishment of the Henan Yongcheng Poverty Alleviation, Intelligence Assistance and We Are One Family Foundation in poverty relief field, the Corporation has actively fulfilled social responsibility, and invested over 510,000 yuan in Education Subsidy, Love Library and other projects; The Corporation

has invested over 800,000 yuan in total in Love Ward, Healthcare Road Together and other projects in poverty subsidy and assistance, medical assistance, voluntary service and other medical fields.



Mission 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 care and positive energy 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.

Summary of Projects Carried Out by the Foundation in 2016

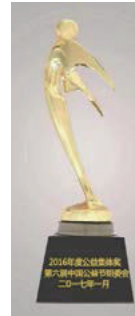
Field	Sponsorship Project	Unit	Funded amount (Yuan)
Education	Horizon Scholarship	Yuan	1,820,000
	Horizon Stipend	Yuan	40,000
	Kashi Love Library	Yuan	420,000
	Sunshine Education Subsidy in Lujiazui Sub-district	Yuan	2,200
	Qiaolicao Education Assistance	Yuan	35,380
Poverty	Poverty Relief Project in Chengguan Town, Yongcheng City, Henan Province	Yuan	400,000 ¹
	Intelligence Assistance Project	Yuan	10,000
	We Are One Family	Yuan	50,000
	Love Library Project	Yuan	52,659
Medical	Love Ward Project	Yuan	100,000 ²
	Healthcare Companion project	Yuan	200,000
	Accurate Healthcare Poverty Relief Project in Nayong Xinli Hospital	Yuan	500,000

Note¹: Expenditure of the project continuously carried out beyond the year incurred in 2015, and actual expenditure in 2016 was of 400,000 yuan.

Note²: Expenditure of the project continuously carried out beyond the year incurred in 2015, and actual expenditure in 2016 was of 100,000 yuan.

Horizon Foundation and Far East Horizon charity honors

- “Foundation Transparency Index Nationwide” awarded by “China Foundation Center” ranked first;
- “2016 Public Benefit Collective Award” issued by “China Charity Festival Committee”;
- “Intelligence Assistance Excellent Collective” issued by “Shanghai Association of Persons with Physical Disability”



7.2 Response to the Poverty Alleviation Policy

In 2015, the state has promoted poverty relief strategy to a new height of development, Horizon Charity Foundation has insisted in carrying out poverty relief activities over the years, actively responded to Shanghai Municipal Government’s call for assisting to construct Kashgar, Xinjiang, launched education and healthcare poverty relief project in Kashgar, Xinjiang and Yongcheng, Henan, and

boosted harmonious development of the society.

In future, Horizon Charity Foundation would continue to carry out poverty relief projects in education and healthcare fields via combination of its advantages, pay attention to the needs of poor population, and constantly explore new project models.

Stick to carry out poverty relief project

To ignite the hope of life for poor families in Yongcheng, Henan, Horizon Charity Foundation has launched “poverty relief project” in locality, and provided the aged in poverty and households enjoying the five guarantees with rice, flour, milk and other materials. With the project going deep, the foundation also provided local poor students with subsidies. In this year, Horizon volunteers made door-to-door field visits and investigations to over 300 poor families in Yongcheng, Henan, given out nearly 2,000 love materials, and launched 4 public benefit activities lasting for nearly 10 days.



Kashgar Love Library Project

To respond to Shanghai Municipal Party Committee and Municipal Government’s call for assisting the construction of Kashgar, Xinjiang, create love harbor for local children and enrich children’s childhood life, Horizon Charity Foundation has invested 420,000 yuan to aid the construction of 9 Love Libraries in locality, covering such 4 areas with most centralized social contradictions as Zepu and Shache, advanced despite difficulties, went deep into first-line, and made contributions to boost emotions between people in Shanghai and Kashgar and maintain social stability. Books donated by Love Library were in Chinese, which could lead to children of the Wei nationality to accept education of Chinese culture and boost national fusion. Via implementation of the project, the Corporation has further boosted emotions between people in Shanghai and Kashgar and made positive contributions for promoting local social stability and national fusion.



Launch Love Ward Project jointly with Far East Healthcare

Adhering to the idea of boosting healthcare public benefit and delivering love, Horizon Charity Foundation provides support for Far East Healthcare on a long-term basis. Horizon Charity Foundation has cooperated with Far East Healthcare to set up Love Ward in subordinate hospitals and provide assistance for poor patients. Currently, the foundation has treated poor patients in Huizhou Huakang Hospital, New Binhai Renci Hospital, Anda Jiren Hospital, Zhoushan Dinghai Hospital and Siping Cancer Institute & Hospital. In 2016, Love Ward Project has provided assistance for 30 poor patients in total, enabled the patients to receive timely treatment, get well soon and get out of the dilemma.

“Love Ward” has specially received and treated local exceptional poverty and assistance priority object, village households enjoying five guarantees, orphans, widows and the aged in town, orphans in welfare house and other patients, provided poor group with free or preferential healthcare, and made the power

of charity and assistance last longer. As of today, with nationwide layout of holding hospital by Far East Horizon Healthcare Investment & Holdings, “Love Ward” has blew love breeze to 5 provinces and cities across the country.

In the future, with increase of number of Love Ward with cooperative willingness, we would join hands with Far East Healthcare to sort and research situation of projects launched by various hospitals, and prepared uniform project management specification and subsidization guideline.



Active participation in health poverty relief

To boost health poverty relief steadily and practically care about and pay attention to vast patients, Far East Healthcare has actively carried out gratuitous treatment, visit and condolence, love donation and other voluntary service activities in 2016, and actually solve healthcare and health problems of people in need.

In the whole year of 2016, the group hospital has went deep into various communities and towns, delivered health services for vast people at weekends and holidays, launched 118 activities in total, such as gratuitous treatment, healthcare publicity and education, and carried out free physical examinations for 23,495 people, which were praised by the society.

All volunteer teams of Far East Healthcare hospitals have been full of exquisite medical skill and passion in service, their work has not only relieved disease

hidden danger of people and alleviated their economic burden, but also strengthened basic sanitation awareness of citizens, and advocated the idea of healthy life and facing disease in a correct manner.



Launch volunteer activity in Liusumu, Inner Mongolia jointly with Far East Education

Horizon Charity Foundation has joined hands with Far East Education to organize Horizon volunteers to launch poor students caring activities in Liangcheng County, donate laptops to local schools, have communication, sharing and game together with children, carry out coaching courses, computer basis education and other series activities, and make them feel the most direct care and warmth. The Foundation has donated school uniforms, cotton quilts and other materials with value of nearly 20,000 yuan, and given 10 laptops to local primary schools. Far East Education's "Full of Stars" activity has started since April 2013, assisted fixed poor primary schools in

western mountainous areas, and fulfilled enterprise social responsibility in line with the idea of "traveling hundreds of mountain roads, loving a group of children".



7.3 Launch voluntary service

As a corporate citizen, Far East Horizon has believed that an important way to fulfill citizen responsibility is to serve the community. The Corporation has launched various kinds of community service activities in locality of operation in 2016.

In 2016, Horizon volunteers have continued to depart to assist establishing a more wonderful tomorrow together with vulnerable children. Chongming Zhongxing Town, Shanghai Zoo, Shanghai Children's Home and Gaoze

Xiangyuan Farm Village have left with Horizon volunteers' figure to pay out and footprint for dedication. Horizon Charity Foundation cared about left-behind children in the form of organizing temporary families via combining the approach of volunteers going to Chongming and left-behind children going to urban area. They have lightened vulnerable children's growth road with accompany again and again, and care over and over.

Speak Out I Love You Loudly on “May 20”

On May 20, the day full of love, Horizon Charity Foundation has joined hands with Chongming Zhongxing Town Youth League Committee to hold left-behind children care activity of “Speak Out I Love You Out Loudly on May 20”. It has shortened the distance between the volunteer and left-behind children via such activities as “Hugging Gymnastics of Love” and “3D Flowerpot Puzzle”, spoken out “I Love You” to left-behind children with actions, and let them feel warm and spent a different Children’s Festival in advance.

Love Fantastic Day in Zoo

Horizon Charity Foundation has joined hands with Shanghai Zoo for the second year in a row, organized Horizon volunteer bring children to accompany vulnerable children to participate in rich and colorful, vivid and interesting garden tour activity and feel fantastic animal world. Children have transmitted warmth with small hands and set up a friendship bridge between vulnerable children.

Care about orphaned and disabled children in welfare house

During Mid-autumn Festival, Horizon volunteers have delivered moon cake, baby diapers, milk powder, jam and love materials to children in Shanghai Children’s House, spent a warm and meaningful festival in accompany with them in advance, and sent love and strength to children with love and action.

During Thanksgiving Day, Horizon volunteers have delivered dehumidifier, LEGO toys, puree and other love materials to children of Shanghai Children’s House,

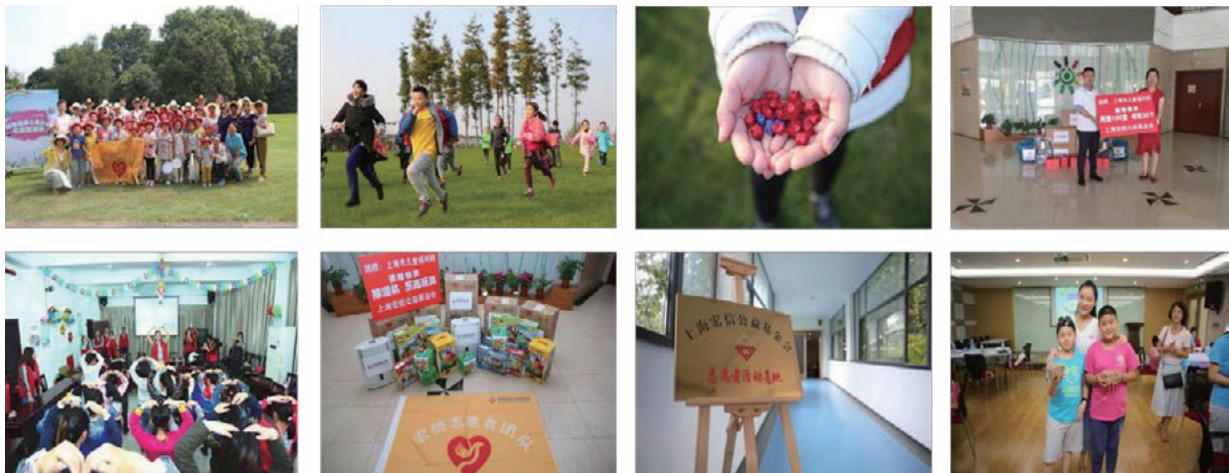
They have become firm companions and guardians on growth road of little angels of Children’s House with actual actions.

Explore natural code and discover public benefit carnival

Horizon Charity Foundation has joined hands with Shanghai Domin Medical Engineering Co., Ltd. to launch volunteer activity themed by “explore natural code and discover public benefit carnival” in Gaoze Xiangyuan Farm Village, delivered care and warmth to left-behind children in the form of orienteering via temporary family, and allowed the children to walk into nature in charity activity and establish the idea of caring about environment.

Volunteer activity in other provinces and cities

Horizon Charity Foundation has organized college students and representatives of donor to go to Gansu Longyuan and Xinjiang Kashgar to launch supporting education activity, and made the position to launch volunteer activity by foundation extend to other provinces and cities from Shanghai.



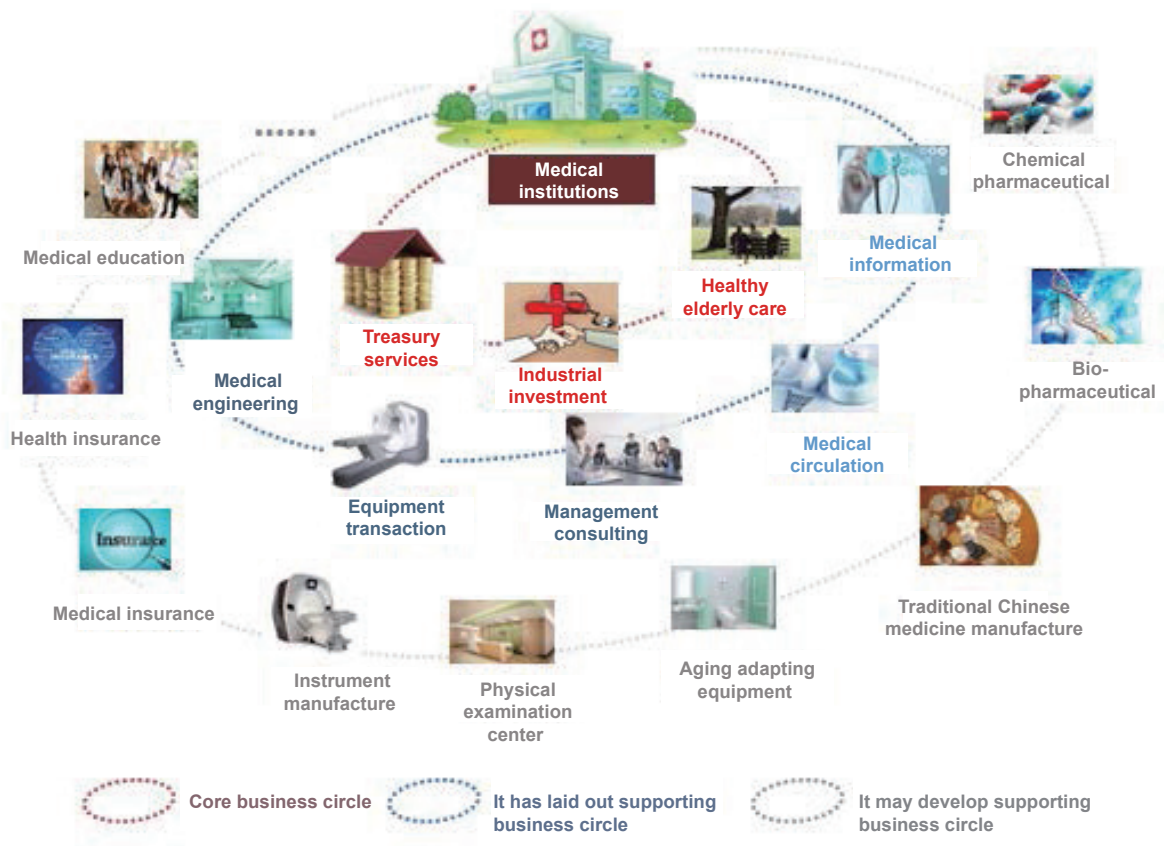
8. Special Issue: Serve Chinese healthcare and concern about national health

- Far East Healthcare Social Responsibility Report

As a core strategic segment of Far East Horizon Limited, Far East Horizon Healthcare Group (referred to as "Far East Healthcare") adheres to the value of "serving Chinese healthcare industry and concerning about 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 it's as objective, expecting to work with partners to promote industry

upgrading and ultimately make more quality healthcare services available to the public.

Currently, Far East Healthcare has served domestic healthcare institutions, healthcare manufacture enterprises, healthcare circulation enterprises and public health agencies with diversified healthcare businesses including capital, investment, technology and management; Meanwhile, it has continued to explore, exploit and extent layout under the guidance of major health industry "ecological circle", and strived to become the health industry operation and service provider that has the most comprehensive strength in China.



8.1 Responsible Operation

In the financial field, Far East Healthcare has provided domestic medical institutions at all levels, healthcare manufacture enterprise, healthcare circulation enterprise and public health agency with financing products including financial leasing and factoring in the form of diversified and flexible schemes, fully solved capital pressure faced during development process of institution, and further boosted development of national health industry. So far, it has served over 2,500 institutions and released capital of over hundred billion yuan.

In the industry field, we have carried out technical services including medical engineering and equipment transaction with complete professional qualification; It has introduced domestic and overseas advanced idea and assisted medical institution to improve long-acting competitiveness

with management service; Taking creating hospital group with Far East feature and sustainable operation capacity as objective, it has incorporated like-minded medical institution, and led in resource to improve operation level of group hospital. As of December 2016, it has reached 20 group hospital members (with 15 deliveries completed), over 7,000 open beds, total employees of 3,300 above, employees with the title of medium-senior professional post of 600, annual outpatient volume of 1,032,000 person-times above, surgery volume of nearly 30,000 person-times, and establishment of 12 provincial and municipal key specialties; It has formed nationwide, multi-key disciplines and grouped hospital layout in Northeast China, East China, Southwest China, South China and other regions.



Far East Horizon Healthcare Investment Holdings, subordinate to Far East Healthcare, adhering to the group spirit of “maintaining current situation is namely dropping behind”, continues to hammer at improving medical quality, promoting communication between doctor and patient and maintaining the patient’s privacy to provide more excellent medical environment and become bellwether of private healthcare group.

Purpose	Insisting on patient first, returning the society with high-grade healthcare service
Vision	Adhere to spirit of “specialty, passion, service”, promote “health, hope and happiness” of people, and become the most trustable private hospital group.
Goals	<p>Short term: Set up Hospital Quality and Safety Management Committee; Build “patient safety” culture; Develop patient safety reporting system; Improve medication safety; Prepare hospital-wide patient safety operation specification; Reduce hospital infection rate; Improve operation correctness.</p> <p>Medium term: Establish frank and sincere patient safety culture; Leader insists and supports patient safety; Advocate reporting system (encourage patient safety event reporting work); Set up real-time reporting of abnormal inspection/test value; Patient safety management gradually develops towards informatization; Learn and share safety courses.</p> <p>Long term: Strengthen patient safety culture; Improve patient safety via information technology; Establish complete abnormal event reporting system; Develop patient safety index; Cultivate seed personnel for unit patient safety and medical accident risk management.</p>

Improve operation capacity and service level of the hospital

Far East Healthcare’s objective is “creating hospital group with Far East feature and sustainable operation capacity”. The Corporation has prepared specific construction after investment and management principle: The Corporation has boosted hospital system with its operation feature in stages and in emphasis via brand construction by way of fully acknowledging its resource gift, knowing basic features of lead-in hospital and respecting intrinsic operation principle of the hospital.

The Corporation has carried out integration and construction in a year after post-investment management, emphasized that hospitals to join the group would have to be legal and honest and laid emphasis on medical quality and patient safety, and assisted the hospital’s improvement according to situation when hospital joining the group. Various major fields of group headquarters have given support and assistance in the meanwhile.

In consequent stage to boost promotion of the hospital’s value, the Corporation would assist the hospital to establish high-grade medical service and perfect medical technology continuously, strengthen core ability of the hospital internally, create brand image of group hospital externally, lay foundation for sustainable operation of group hospital, and boost social value of the hospital and group.

In 2016, with the help of Far East Healthcare, Zhoushan Dinghai District Guanghua Hospital subordinate to the group has passed TUV Rheinland TUV-SQS International Service Quality Certification, and become the first hospital in Zhoushan Health Care System that passed such certification.

After having access to Far East Healthcare’s management system, according to actual situation of the hospital, professional consultation company Horizon Healthcare Management subordinate to the group has helped Zhoushan Dinghai District Guanghua Hospital prepare progressive service quality promotion scheme. In the meanwhile, Horizon Healthcare Management has specially organized key personnel of various functional departments of the hospital to learn from Taiwan Changhua Christian Hospital at site as well. In 2016, with joint efforts from the group and hospital, over 1,100 service actions and hardware facilities of Zhoushan Dinghai District Guanghua Hospital have reached international standard and finally passed TUV Rheinland TUV-SQS International Service Quality Certification.

In the future, Far East Healthcare would also continue to help its subordinate hospitals to improve medical level and service quality, safeguard legal rights of patients, establish harmonious relationship between doctor and patient, and solve the problem of insufficient medical resources in Chinese basic level.

The first Far East Healthcare quality annual meeting to exhibit lean management improvement achievement

In December 2016, Far East Healthcare hospital held the first healthcare quality annual meeting in Deyang, which spread out with the theme of “healthcare safety-footstone for quality” and include such abundant contents as release 6S activity achievement of group hospital quality improvement, quality special subject training of holding hospital, and quality culture subject talk.

Various subordinate groups of the group, adhering to the spirit of “the key of 6S is entire personnel’s involvement”, have exhibited hard work and innovative measures in terms of process optimization, inventory management, material declaration, cost saving and other aspects in a centralized manner. It has practically improved medical experience in various hospitals and improved medical service quality via both step by step, keeping improving and unusual but wonderful thinking and surprise move.

The meeting has warmly invited famous management specialists in medical field in both sides of the Taiwan Straits to instruct healthcare quality management, evolution of nursing model, new progress of hospital infection control and other courses for managers in various lines of hospital, and the participants have enjoyed a grand banquet of healthcare management.

In Far East Healthcare, we think that healthcare management should not only be oriented by operation strategy and operation efficiency, but even more should lay emphasis on clinical benefit and medical quality and hospital safety management. With the hospital’s development, it has gradually expanded to service quality management and culture construction. Foundation for creation of “century-old shop” can be laid only if it has gradually returned to essence of hospital management.



Boost harmonious relationship between doctor and patient

Principle of equality and respect	<ul style="list-style-type: none"> ● Doctors and patients are equal, and they should respect each other and share the aim to cure disease and maintain health.
Principle of patient participation	<ul style="list-style-type: none"> ● Respect patients' right to know and right to choose, conduct sufficient communication and provide information, make the patient know disease situation, clarify treatment scheme and possible expenses, and participate in healthcare decision-making.
Principle of legality	<ul style="list-style-type: none"> ● Implement healthcare actions and insist legal practice within specific frame of laws and regulations; ● In case of a dispute between doctor and patient, take fact as basis and law as the criterion. If the hospital makes a mistake, undertake responsibility actively; ● Where the patient infringes legal interests of medical personnel or the hospital, maintain legal interests of medical personnel with law.
Principle of prevention and initiation	<ul style="list-style-type: none"> ● Propagandize health knowledge actively, carry out health education in multiple channels and forms such as organizing gratuitous treatment and lecture with the help of bulletin board and poster, provide healthy instructions, and advocate health life style to reduce incidence of disease. For the disease that has occurred, strive to achieve early discovery and early treatment.

8.2 Environmental and Safety

In the fields of medical treatment and health, Far East Horizon, adhering to the value of “serving Chinese healthcare industry and concerning about national health”, “returns to medical source and runs long-term healthcare”. The Corporation has improved technical level, management level and comprehensive competitiveness of each group hospital via systematic work progress and devoted itself to provision of high-quality medical service and medical environment for the public.

In 2016, under basic policy of overall HSE management of Far East Horizon, Far East Healthcare firstly established HSE Committee according to actual situation of medical industry management.

Far East Healthcare has prepared and operated 5 HSE basic management systems, (including Healthcare Group HSE Division of Responsibility and Management

Administrative Rules, Healthcare Group HSE Committee Work Regulations, Healthcare Group HSE Inspection and Hidden Danger Rectification Administrative Specification, Healthcare Group HSE Accident Classification and Grading Standard, Healthcare Group HSE Accident Report and Investigation and Treatment Administrative Specification), in order to improve Far East Healthcare’s management level and ensure subordinate hospital to provide safe and high-quality healthcare service.

In 2016, Far East Healthcare has convened the first HSE working conference in the group, carried out HSE special training for main principals of subordinate enterprises/hospitals and signed annual HSE responsibility statement, and prepared and amended various safety management systems of 105 items.

Safety investment of Far East Healthcare¹

Investment classification	Unit	Indicator
Occupational health and safety ²	Yuan	3,960,700

Note¹: The data has covered Domin Medical Engineering, Huizhou Huakang Orthopaedic Hospital subordinate to Far East Healthcare and other holding hospitals that has completed delivery.

Note²: Occupational Health and Safety investment has mainly included safety production expense, purchase and maintenance fee for safety equipment and facility, safety accident (hidden danger) investigation and rectification fee, labor protection appliance fee, occupational health physical examination fee, etc.

Safety management performance of Far East Healthcare¹

Safety management matters	Unit	Indicator
Number of safety investigations	Number	4,873
Number of emergency drill activity	Number	42
Person-numbers of safety training	Person numbers	4,371
Proportion of employee participating in occupational health examination ²	%	100%
Number of employee diagnosed with occupational disease	Number	0
Proportion of death toll due to working relation	Persons / %	0
Number of employee with occupational injury	Persons	3

Note¹: The data has covered Domin Medical Engineering, Huizhou Huakang Orthopaedic Hospital subordinate to Far East Healthcare and other holding hospitals that have completed delivery.

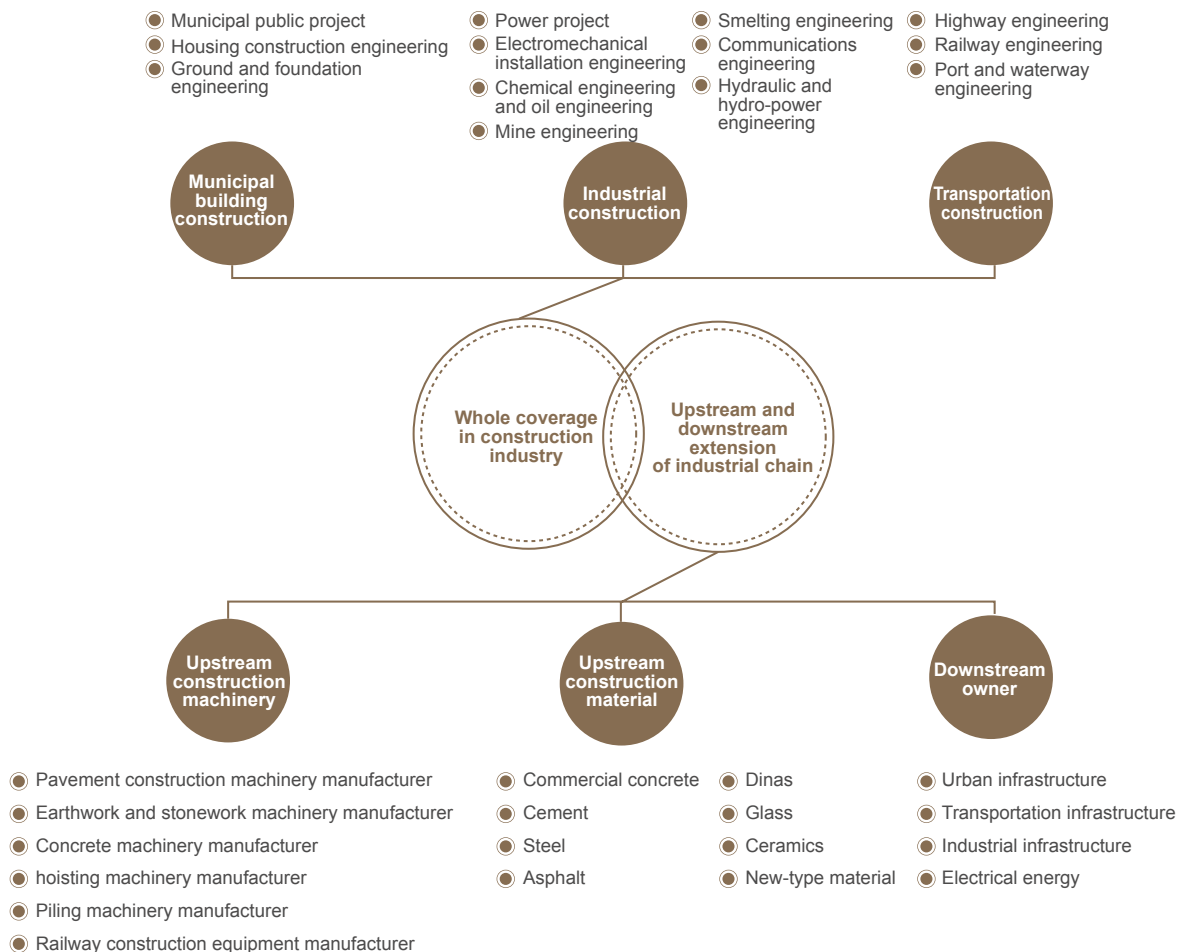
Note²: The subordinate hospital has incorporated employees of radiology department into occupational health management

9. Special Issue: Assist infrastructure and safeguard people's livelihood and development - Far East Construction Social Responsibility Report

Far East Horizon Construction Group (referred to as "Far East Construction") has been the only industrial operation comprehensive service provider that provides multi-dimensional products and all-dimensional service to infrastructure construction industry in China. Taking industrial operation comprehensive service strategy as core development concept, Far East Construction has crosswise extended market segment and formed such business segments as transport construction, urban development, industrial construction, electricity; longitudinally extended whole industry chain of upstream construction machinery and construction materials, mid-stream construction enterprise and downstream owner, boosted development of new-type urbanization development in China; Far East Construction has established service network covering various provinces, cities and municipalities, solved capital and financial problems for various kinds of infrastructure enterprises during their development, assisted the

enterprise to improve hardware equipment level with the optimum cost, and helped Chinese infrastructure enterprises to improve management and operation level in the meanwhile based on profound industrial experience and abundant consultation service via the dynamic integration of "Finance + Industry".

Over a decade, Far East Construction has formed deep relationship with vast customers, and created three major platforms of financial services, engineering management and infrastructure investment surrounding the whole industrial chain of the construction field: Based on mainstream building construction enterprises and established whole industry chain financial service platform; Surrounded operating lease company to establish high-end construction equipment engineering management service platform; Partnered with external professional institutions and powerful construction enterprises to build infrastructure investment and financing platform jointly.



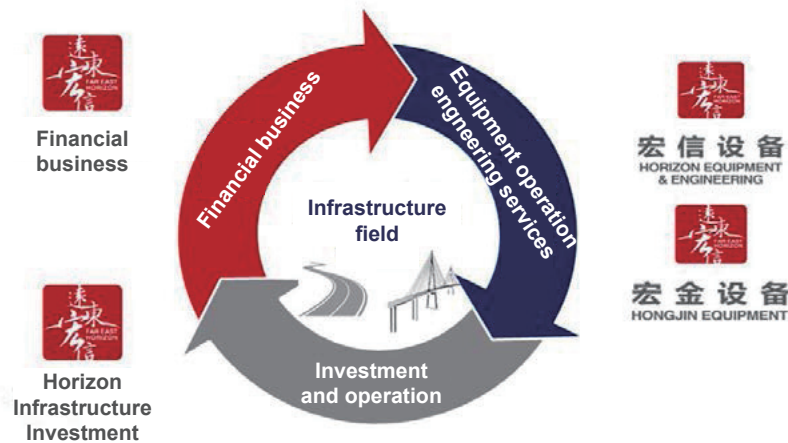
9.1 Responsible Operation

In terms of financial service, Far East Construction has created Chinese leading industrial financial service provider with Far East Lease as core, solved capital and financial problems for various kinds of infrastructure enterprise customers during their development with flexible and diversified solutions, and has served over 4,000 customers and released amount of over 70 billion yuan in accumulation so far since its establishment.

In terms of infrastructure investment, Far East Construction has strived to building Chinese professional infrastructure investment service provider and provided customers and partners with customized project investment scheme with

solid capital raising capacity, professional project control capacity and unique professional resource integration capacity.

In terms of equipment service, Far East Construction, taking Horizon Equipment and Hongjin Equipment as core, has devoted itself to become Chinese leading construction equipment comprehensive service provider and high-end formwork comprehensive service provider. Over the years, Far East Construction has served the customer with high standard, obtained multiple certifications, and enjoyed good reputation in the industry.



High standard product and service

Hongjin Equipment and Horizon Equipment subordinate to Far East Construction have passed many international quality management system certifications including ISO, and perfected customer service system constantly. The Corporation has collected the customer's feedback and comments via phone number of 400 and WeChat public account and delivered timely feedback, and Auditing Department has inspected feedback coverage degree and quality of feedback content of the customer's complaint on a regular basis. In 2016, either complaint and recall incident due to product quality and safety problem or incident due to violating safety laws and regulations, product and service laws and regulations and market promotion regulations failed to occur to Horizon Equipment and Hongjin Equipment.

Horizon Equipment has established complete product quality management method, and managed product quality in a strict manner via Steel Support Axial Force Servo System Construction Quality Control Specification, Administration Measures for Special Seal for Quality of Shanghai Horizon Equipment Engineering Co., Ltd., Revolving Material Quality Management and Operation Guideline, standardized employees' operation process in the course to provide technical service for the customer, and practically safeguard the safety for customer during their use of product. Meanwhile, the Corporation encouraged

innovation and application for intellectual property for new technology and new product, and had 58 authorized patents as of the end of 2016, wherein, 9 patents for invention; 5 software copyrights have been registered. The Corporation has also issued Patent Work Administration Specification to manage such work as retrieval, application, management, lawsuit, maintenance of patent (including software copyright), taken patent training as basic content of employee induction training, and improved the employee's awareness to protect intellectual property.

Hongjin Equipment has insisted on standardizing its productions and operation activities with criterion higher than industrial standards, which has promoted quality promotions and technical progress of main product built-up aluminum alloy template and disc type scaffold subordinate to the Corporation. In 2016, according to actual situation of built-up aluminum alloy template, Hongjin Equipment drafted Built-up Aluminum Alloy Template enterprise standard stricter than industrial standard, which has been put on records of Shanghai enterprise standard after audit by standardization administrative department in charge. At the same time, Hongjin Equipment also participated in the demonstration work of JG/T503-2016 standard of Socket-type Button-type Steel Pipe Support Member and put forward professional advices.

Hongjin Equipment management system certification situation	Horizon Equipment management system certification situation
<ul style="list-style-type: none"> • ISO 9001 Quality Management System Certification • Product CE Certificate • Niuao Standard AS/NZS1576.3 2015 Product Certification 	<ul style="list-style-type: none"> • GB/T19001 • ISO 9001 Quality Management System Certification • ISO 140001 Environmental Management System Certification

In 2016, Hongjin Equipment and Horizon Equipment subordinate to Far East Construction have earned many honors by virtue of their advantage and high-grade product.

Hongjin Equipment

- “Zhujing Town 2015 Key Enterprise”
- “Gold Award” in the 2nd National Button-type Scaffold Erection Skill Competition
- Enterprise Credit Rating AAA Certificate
- “Top 100 Enterprises” in Chinese Template Scaffold Industry in 2016
- “National New Type Formwork Most Influential Enterprises”
- “National Building and Material Lease Contracting Industry Top 10 Most Influential Professional Contracting Brand Enterprises”

Horizon Equipment

- ACCESS Aerocar Global Ranking No. 38
- National Building Construction Machinery Lease Top 50 Enterprises
- 2016 Building Construction Machinery Lease Brand
- Shanghai Enterprise Technology Center
- Shanghai Science and Technology Progress Award

IRN Global Lease Company Ranking No. 109

RANK	COMPANY	2015 REVENUES (€M)
101	De Boer Structures	73.0
102	Touax	72.5
103	Nixon Hire	72.0
104	Ardent	72.0
105	HUNE Rental	70.0
106	Salti	70.0
107	Arcomet	68.0
108	Malthus	63.0
109	Shanghai Horizon Equipment & Engineering	60.5
110	Solaris Equipamentos E Servicos	60.0

ACCESS Global Hydraulic Aerial Cage Ranking No. 38

2018	COMPANY	AWP FLEET 2018	2015
38	Shanghai Horizon Equipment & Engineering Co.	3100	1961
39	Solaris Brazil	3073	3304
40	Calmon	3000	2800
41	A-Plant	2950	2800
42	Kranpunkten	2880	2700
43	NEFF Corp	2672	2766
44	Height for Hire/ Easi Lifts	2560	2560
45	Aver Asia	2532	NA

National Industry Top 30 Special Grade Enterprises



Chinese Button-type Scaffold Most Influential Brand



Far East Construction's first overseas project has acquired recognition

In recent years, Horizon Equipment has provided large batch of domestic mainstream airports with high-grade services and earned good reputations in the industry by virtue of steady strength. Horizon Equipment's all-dimensional and one-stop management level, from project technology, engineering construction, equipment allocation, talent training to operation management, has reached international level and laid excellent foundation for development of overseas business.

As the first overseas project of Horizon Equipment, Bandaranaike International Airport runway expansion project has marked that Horizon Equipment's "going out" strategy has had a good start in 2017. Horizon Equipment going out overseas this time was also the achievement of cooperation with domestic famous airline enterprise.

Relying on powerful technical and service safeguard, Horizon Equipment's teams have worked hard at first line of engineering around the clock, finally delivered a high-quality phased report with progress of the project made, obtained complete recognition of construction owner, and even earned praise from Minister of Ministry of Communications of Sri Lanka.



9.2 Environmental and Safety

After many years of development, Horizon Equipment and Hongjin Equipment subordinate to Far East Construction have become Chinese leading construction equipment comprehensive service providers and Chinese leading high-end formwork comprehensive service providers. Horizon Equipment and Hongjin Equipment have implemented the Corporation's HSE management policy in a strict manner during providing the customer with such services as equipment production, lease, technical support and engineering construction, helped the customer to improve construction safety, quality and standard while requesting them with high environmental protection and safety standard, and jointly created value.

Far East Construction has established HSE Committee since 2016. In 2016, Far East Construction has prepared

12 HSE management systems covering HSE inspection, hidden danger treatment, accident treatment reporting and other information communication procedures, high risk business management and relevant supporting systems of HSE Committee, etc.

Currently, management measures taken by Far East Construction included: Strengthen HSE supervision and inspection at site and clarify HSE responsibility system of various posts; Improve safety awareness and skill of the employee via settling operation procedures, sharing accident, case and warning and safety education and training, releasing HSE instant reward and other methods, to reduce incidence of safety accident and promote HSE performance.

Far East Construction's investment in environmental and safety management

Investment classification	Unit	Indicator
Occupational health and safety ¹	Yuan	1,668,000
Environmental protection management ²	Yuan	63,000
HSE comprehensive management ³	Yuan	115,000

Note¹: Occupational health and safety investment has mainly included safety production expense, purchase and maintenance fee for safety equipment and facility, safety accident (hidden danger) investigation and rectification fee, labor protection appliance fee, occupational health physical examination fee.

Note²: 2016 environmental protection management investment mainly referred to "the three wastes" treatment fee and indoor environmental governance fee

Note³: HSE comprehensive management investment mainly referred to HSE advertising, award fund, symposium activity, etc.

Far East Construction’s safety management performance

Safety management matters	Unit	Indicator
Number of safety investigations	Number	52
Number of emergency drill activity	Number	4
Person-numbers of safety training	Person numbers	4,000 ¹
Proportion of employee participating in occupational health examination ²	%	100%
Number of employee diagnosed with occupational disease	Case	0
Proportion of death toll due to working relation	%	0
Number of employee with occupational injury	Persons	2
Number of lost workdays due to occupational injury	Day	2

Note¹: Including contractor of relevant projects

Note²: The Corporation has incorporated service technician, maintenance technician, equipment operator (including special type of work, machine tool operator) into occupational health management

Far East Construction’s environmental management performance

Environmental protection management matters	Unit	Indicator	
Use of Resources	Water consumption in total	Ton	118,704
	Total electricity consumption	Kwh	7,530,780
	Consumption of diesel	L	98,200
	Consumption of gasoline	L	86,400
Emissions	Waste water	Ton	106,833
	Exhaust gas	M ³	86,400,000
	Hazardous wastes ¹	Ton	18,600
	Non-hazardous wastes ²	Ton	237

Note¹: Used engine oil generated from curing equipment of Horizon Equipment has been uniformly collected by relevant qualified units for disposal (The oil mentioned above includes engine oil, lubricating oil and other types. The statistics are estimated according to existing assets) ; Used oil of Hongjin Equipment has been treated by relevant external units with qualifications (engine oil, tool lubricating oil)

Note²: Office paper waste has been cleaned on a daily basis, building garbage has been delivered by construction unit to relevant qualified units for disposal, and kitchen garbage has been treated in a centralized manner by kitchen contracting unit on a daily basis.

Hongjin Equipment has improved operation process to reduce safety risk

Whether “wall-linking component”, as the most crucial rod piece to affect stability of scaffold, is complete and reliable would determine collapse risk of scaffold. For a long time, wall-linking component being frequently dismantled via a man-made manner in advance resulting instability and having a large quantity and big difficulty in maintenance has always been difficulties for HSE management of scaffold project at site.

Hongjin Equipment has sought for improvement actively, reduced the proportion of wall-linking component by man-made damage via painting red paint on wall-linking component and numbering each wall-linking component, and judged whether wall-linking component was missing and which part was missing via number of wall-linking component so as to arrange maintenance. In August 2016, such management measure has been incorporated into Hongjin Equipment Scaffold Operation Standard Collective Drawings and fully implemented in all projects as enterprise standard.

Horizon Equipment has carried out firefighting safety drill

In June 2016, for the sake of enabling all employees to strengthen firefighting awareness, acknowledge use of fire extinguisher and notes, prevent fire accident from occurring, and minimize economic loss and social influence resulted from emergency, Horizon Equipment has organized and carried out firefighting drill by taking “2016 Safety Production Month” activity as opportunity.



10. Special Issue: Carry forward Chinese culture and promote national education

- Far East Education Social Responsibility Report

Adhering to the responsibility and idea of “carry forward Chinese culture and promote national education”, Far East Horizon Education Group (hereinafter referred to as “Far East Education”) has determined to boost education, science and technology, culture and sports undertaking in China and become an industry development facilitator and key participator that have profound influence. Rooting in the fields of Chinese education, science and technology, culture and sports, Far East Education, with abundant capital, long-term patience and outstanding team, has been devoted to provide vast institutions in education, science and technology, cultural and sports fields with industrial

comprehensive operation services including financing, investment, asset management, industry operation, consultation and planning.

Far East Education financial service was initiated in 2003 and had provided diversified financial solutions for over 1,000 education, science, culture and sports institutions across the country. Meanwhile, Far East Education has positively invested industries and operated many entity businesses, and has preliminary spread layout in directions of kindergarten, international school, occupational education, online education and culture and tourism.



10.1 Responsible Operation

In 2016, in terms of finance, Far East Education has enhanced service ability via constant innovation in industrial fund, PPP, fortune management, investment bank consultation, etc., based on grasping the customer’s requirement profoundly, provided the customer with comprehensive solution, and realized the situation of multi-advancement of education, science, culture and sports.

In terms of industry, Far East Education, insisting education idea of “people first, fusion of Chinese and western, elite

education”, has continued to establish kindergarten via self-establishment and purchase, perfected operation and management of existing schools in the meanwhile, and promoted interaction between domestic and overseas schools. In 2016, 12 sites for high-end kindergartens have newly been signed in Shanghai and other cities. As of the end of 2016, 4 high-end kindergartens and 2 international schools have been in operation with over 930 students.



Create high-end preschool education brand

Long-term industry as education is, adhering to the education idea of “people first, fusion of Chinese and western, elite education”, Far East Education, by virtue of years’ of experience and capital accumulation in education industry, has been dedicated to creating a hundred year’s education high-end brand.

As of 2016, Far East has successfully set up 4 high-end kindergartens to provide the kids with pleasing, beautiful and safe environment, kept away pollution and safeguard catering sanitation in a strict manner, and did a good job in details such as prevention of infectious disease, prepared uniform standard, established kindergarten leader responsibility system in executive level, and guaranteed high-level operation.



10.2 Environmental and Safety

As Far East Education has been dedicated to creating a hundred years’ education high-end brand, it therefore has also insisted high standard requirement in light of environment and safety, and devoted itself to build the finest growth environment for students.

Since the establishment of HSE Committee in 2016, Far East Education has set up three group level HSE systems including Education Group HSE Accident Management Specification, Education Group HSE Accident Emergency Response and Preparation Management Specification, and Education Group HSE Responsibility System.

Meanwhile, preschool platform subordinate to Far

East Education has established Montessori Academy Kindergarten Logistics Operation and Management Procedures covering such contents as safety responsibility requirement of various posts of kindergarten, security management system and process, school bus and management system and process, schoolhouse maintenance system, infectious management system and emergency process, air quality and kindergarten emergency measures, kindergarten firefighting safety system and evacuation drill process, and illegal intruder response process. Schools put into operation in 2016 have failed to have school safety accident or receive penalty in light of environment.

Far East Education’s management measures in environmental and safety

- Environmental protection**
 - All newly built kindergartens have been configured with fresh air and air purification system to prevent haze weather from affecting the students.
- Safety**
 - Newly built kindergartens have employed famous kindergarten catering supplier and achieve safety, health and nutrition.
 - Employ qualified security company to be responsible for kindergarten safety
 - Newly built kindergartens have been installed with monitoring system to achieve monitoring with no dead space and prevent risk of irrelevant person’s invasion.
 - Kindergartens in operation have interacted with local firefighting agency to enhance the employee and student’s understanding for firefighting safety, and organized firefighting drill and evacuation drill regularly to boost firefighting safety knowledge and skill and to respond to possible emergency fire accident.

Far East Education’s safety management Performance ¹

Safety management matters	Unit	Indicator
Number of safety investigations	Number	40
Number of emergency drill activity	Number	24
Person-numbers of safety training	Person numbers	446

Note¹: 2016 safety management effectiveness has only included 4 kindergartens put into operation officially in terms of preschool education.

Far East Education’s environmental management Performance ¹

Environmental protection management matters	Unit	Indicator	
Environmental investment ²	Yuan	435,000	
Use of Resources	Total water consumption	Ton	5,900
	Total electricity consumption	Kwh	330,100
	Consumption of natural gas	M ³	1,605

Note¹: 2016 environmental management effectiveness has only included 4 kindergartens put into operation officially in terms of preschool education. Wherein, main emissions of the school have been office and kitchen garbage, which have been handed over to relevant qualified contract for centralized treatment, and data statistics system has failed to be established.

Note²: 2016 environmental investment has mainly referred to fresh air system and air purification equipment and operation expense.

Carry out kindergarten firefighting safety education actively

To practically enhance kindergarten firefighting safety education, we have improved teachers and students’ capacity of flexible response and capacity of self-protection to respond to firefighting accident. Yunjianlv Dadi Kindergarten and Lingshan Road Kindergarten of Montessori Academy subordinate to Far East Education have organized teachers and students to carry out drill activity respectively. Wherein, Leader of Yunjianlv Dadi Kindergarten has explained the usage of fire extinguishers to teachers and students of the kindergarten and operated the fire extinguisher for extinguishment demonstration in person; Lingshan Road Kindergarten, based on firefighting drill, has actively interacted with local firehouse branches, and organized teachers and students of the kindergarten to visit firehouse branches to receive more direct firefighting safety education.

Such firefighting safety education activities have improved kindergarten’s emergency evacuation capacity under fire danger situation, and teachers and students of the kindergarten have received safety knowledge in more direct experiences, improved the awareness of self-management and self-protection, and grasped basic self-protection and self-help skills.



Key Performance Indicators of 2016

Social Responsibility

(I) Economic Performance Indicators

Indicator	Unit	2014	2015	2016
Main business revenue	100 million Yuan	100.61	117.96	139.28
Total profits	100 million Yuan	32.11	35.80	40.72
Total taxes paid	100 million Yuan	14	23	28
Total assets	100 million Yuan	1,107.26	1,393.13	1,665.61
Government subsidies	100 million Yuan	3.26	1.31	0.09
Employee salaries and benefits	10 thousand Yuan	161,152.00	182,371.00	210,501.50
Employee training expenses	10 thousand Yuan	790	846	870
Donations by Far East Horizon	10 thousand Yuan	400	450	416

(II) Environment Performance Indicators

Indicator ¹	Unit	2014	2015	2016
Emissions				
Office waste - toner cartridge	Ton	—	577	0.22
Office waste - paper	Ton	—	5	4
Total emission amount of greenhouse gases (scope 1 and scope 2)	Ton	—	—	1,231.43 ²
Resource utilization				
Total office electricity used	10 thousand kwh	166.68	105.59	164.19
Total amount of office paper used	Kg	26,810.75	25,329.56	23,220.00
Environment and natural resource				
Travel expense	10 thousand Yuan	17,491.00	16,736.00	17,985.00
Airline travel mileage	Km	36,938,355.00	33,154,970.00	39,873,359.00
Number of teleconference	Number	357	1,215	1,089
Number of video conference	Number	4,015	4,084	7,413

Note¹: The data only refers to the financial sector

Note²: Total emission amount of greenhouse gases has been estimated according to calculation coefficient provided by NDRC's Interim Administration Measures for Energy Saving and Low-carbon Technology Promotion

Indicator ¹	Unit	2015	2016
Resource utilization			
Total water consumption	Ton	202,124	587,177.61
Total electricity consumption	Kwh	12,427,416	20,858,280
Consumption of natural gas	M ³	—	122,788.10
Coal consumption	Ton	—	10
Consumption of diesel	L	—	114,674
Consumption of gasoline	L	—	305,869
Emissions			
Wastewater generated	Ton	—	431,351.05
Total emission amount of greenhouse gases (scope 1 and scope 2) ²	Ton	—	16,691.03
Exhaust gas discharged	M ³	—	86,413,000
Total quantity of hazardous wastes generated	Ton	170.60	18,813.50
Total quantity of non-hazardous wastes generated	Ton	1,000.00	3,669.49
Environmental investment of the year ³	10 thousand Yuan	150.00	324.10
Standard disposal rate of hazardous wastes	%	—	100
Stable operation rate of environmental facilities	%	90	100
Qualification rate of waste water in external detection	%	100	100

Note¹: Industry sector data has covered Far East Construction, Far East Healthcare and Far East Education

Note²: Total emission amount of greenhouse gases has been estimated according to calculation coefficient provided by NDRC's Interim Administration Measures for Energy Saving and Low-carbon Technology Promotion

Note³: Including but not limited to purchase and operation of environmental protection equipment and facilities, waste treatment, waste water treatment, kitchen garbage treatment, training investment in environmental protection, newly established project environmental assessment and consultation

(III) Employment and Labor Performance

Indicator	Unit	2014	2015	2016	
		Finance + Industry	Finance + Industry	Finance sector	Finance sector
Hired					
Total number of employees	Persons	5,016	6,084	2,201	5,983
Labor contract coverage	%	100	100	100	100
Total number of employees by gender					
- Female employees	Persons	—	2,209	718	2,253
- Male employees	Persons	—	3,875	1,483	3,730
Total number of employees in terms of region ¹					
- Shanghai	Persons	1,428	1,809	1,092	2,664
- Shenzhen	Persons	138	119	101	0
- Beijing	Persons	106	110	82	0
- Hong Kong	Persons	11	12	3	0
- Other Regions	Persons	—	—	923	3,319
Total number of employees by age					
- Over 50	Persons	86	216	18	—
- 30-50	Persons	1,826	2,264	1,043	—
- Under 30	Persons	3,104	3,604	1,140	—
Total number of employees by educational background					
- Doctorates	Persons	14	9	5	—
- Masters	Persons	1,714	2,444	759	—
- University Undergraduate	Persons	1,482	1,765	1,337	—
- College and below	Persons	1,806	1,866	100	—
Number of employees at the management level					
- Male employees	Persons	4,083	335	235	—
- Female employees	Persons	933	90	71	—
Total number of new employees	Persons	525	541	361	—
Total number of former employees	Persons	280	564	236	—
Minority employees	Persons	—	60	71	—

Note 1: The data in 2014 and 2015 was only statistic of the financial business segment

Indicator ¹	Unit	2014	2015	2016
Health and Safety				
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	%	100	100	100
Number of labor discrimination incidents	Pieces	0	0	0
Development and Training				
Person-times of employee training	Person-times	35,872	47,236	37,668
Employee training coverage	%	98	99	98
Regular performance and career development evaluation coverage	%	100	100	100
Average training hours per employee per year	Hours	33.20	33.90	35.27
Average training hours per year				
- Male	Hours	32	33	34
- Female	Hours	36	36	38
Employee training duration in terms of employee classification				
- Common employee	Hours	—	33.50	35.20
- Mid-level employee	Hours	—	32.00	33.90
- High-level employee	Hours	—	25.00	26.40

Note ¹: The data only refers to the financial sector.

Indicator	Unit	2015	2016
Health and Safety¹			
Safety fund investment	10 thousand Yuan	495.68	562.87
Number of safety investigations	Number	49	4,941 ²
Safety training drill person-times	person-times	8,877	11,061
Safety management regulations stipulated and modified	Article	111	117
Safety penalty suffered due to major safety accident	10 thousand Yuan	—	0
Number of occurrence of major safety accident	Cases	—	0
Death proportion due to work	%	—	0
Number of employee with occupational injury (number of employee with occupational injury/total of employees)	Persons	—	5/8,184
Number of lost workdays due to occupational injury (number of workdays lost due to occupational injury/ total workdays of employee with occupational injury)	Day		142/1,250

Note¹: Industry sector data has covered Far East Construction, Far East Healthcare and Far East Education

Note²: Daily fire protection tour inspection of hospital firefighting has been incorporated into statistics scope

(IV) Operating practice

Indicator	Unit	2014	2015	2016
Risk Management				
Major risk factor identified	Number	4	10	10
Person-time and number of risk control trainings	Number/person-times	31/1,099	18/450	32/1,156
Person-time and number of work ethic and compliance trainings	Number/person-times	42/1,663	70/2,199	144/2,199
Number of whistle-blowing reports from workers	Number	4	1	2

- 2016, no violation of safety regulations
- 2016, no violation of product and service regulations
- 2016, no violation of market promotion regulations
- 2016, no violation of client privacy, no complaints regarding losing client documents

(V) Community

Indicator	Unit	2014	2015	2016
Total amount of cash expended by Horizon Charity Foundation for public benefit	10 thousand Yuan	313.10	361.95	378.09
Total amount of cash donated by employees	10 thousand Yuan	—	12.30	8.20
Person-times of participation in volunteer activity	Person-times	—	965	1,184
Total duration of voluntary activity	Hours	—	4,064	8,960

Standards Index

1. Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, Appendix 27 "Environment, Society and Governance Guide" ("Guide"), this table uses "Guide" as benchmarking.

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.	6.1 Environmental Management
KPI A1.1	The types of emissions and respective emissions data.	6.3 Green Operation 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.3 Green Operation 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.3 Green Operation 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
KPI A1.5	Description of measures to mitigate emissions and results achieved.	6.3 Green Operation Key Performance Form
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	6.3 Green Operation 9.2 Environmental and Safety 10.2 Environmental and Safety
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.1 Environmental 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).	6.3 Green Operation 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.3 Green Operation 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	6.3 Green Operation 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6.1 Environmental Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	6.1 Environmental Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.1 Environmental Management

Aspect, general disclosure and KPI	Description	Correlation and section
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,	5.1 Employee Rights
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Key Performance Form
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Key Performance Form
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.	6.4 Health and Safety 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety
KPI B2.1	Number and rate of work-related fatalities.	9.2 Environmental and Safety
KPI B2.2	Lost days due to work injury.	6.4 Health and Safety 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	6.4 Occupational Health And Safety 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.2 Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Employee Development Key Performance Form
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.2 Employee Development Key Performance Form
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.	5.1 Employee Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	5.1 Employee Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employee Rights
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	2.3 Risks and Compliance Management
KPI B5.1	Number of suppliers by geographical region.	2.3 Risks and Compliance Management
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.	2.3 Risks and Compliance Management

Aspect, general disclosure and KPI	Description	Correlation and section
Aspect B6: Product liability		
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.	2.3 Risks and Compliance Management 4.4 Superior Customer Service 9.1 Honest Business
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	9.1 Honest Operation
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	9.1 Honest Business
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	9.1 Honest Business
KPI B6.4	Description of quality assurance process and recall procedures.	9.1 Honest Business
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	4.4 Superior Customer 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	2.3 Risks and Compliance Management
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.	2.3 Risks and Compliance Management
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	2.3 Risks and Compliance Management
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.	7.1 Supporting Social Welfare 7.2 Response to the Poverty Alleviation Policy 7.3 Volunteer Service
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	7.1 Supporting Social Welfare 7.2 Response to the Poverty Alleviation Policy 7.3 Volunteer Service
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	7.1 Supporting Social Welfare 7.2 Response to the Poverty Alleviation Policy 7.3 Volunteer Service

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

No.	Correlation	Section
Strategy and analysis		
G4-1	High	Speech from the President
G4-2	High	2.3 Risks and Compliance Management
Organizational Profile		
G4-3	High	2.1 Corporation Introduction
G4-4	High	2.1 Corporation Introduction
G4-5	High	2.1 Corporation Introduction
G4-6	High	2.1 Corporation Introduction
G4-7	High	2.1 Corporation Introduction
G4-8	High	2.1 Corporation Introduction
G4-9	High	2.1 Corporation Introduction
G4-10	High	5.1 Employee Rights Key Performance Form
G4-11	High	5.1 Employee Rights
G4-12	Medium	2.3 Risks and Compliance Management
G4-13	High	2.1 Corporation Introduction
Commitments to External Initiatives		
G4-14	High	2.3 Risks and Compliance Management
G4-15	High	—
G4-16	Medium	4.1 Economic Value Creation
Identified Material Aspects and Boundaries		
G4-17	High	3.2 Social Responsibility Management
G4-18	High	3.2 Social Responsibility Management
G4-19	High	3.2 Social Responsibility Management
G4-20	High	3.2 Social Responsibility Management
G4-21	Medium	3.2 Social Responsibility Management
G4-22	Low	—
G4-23	Low	About the report
Stakeholder Engagement		
G4-24	High	3.2 Social Responsibility Management
G4-25	High	3.2 Social Responsibility Management
G4-26	High	3.2 Social Responsibility Management
G4-27	High	3.2 Social Responsibility Management

No.	Correlation	Section
Report in General		
G4-28	High	About the report
G4-29	High	About the report
G4-30	High	About the report
G4-31	High	About the report
G4-32	Medium	Standards Index
G4-33	Low	—
Governance		
G4-34- G4-55	High	2.2 Corporate Governance
Ethics and Integrity		
G4-56	High	3.1 Responsibility Concept of Far East Horizon
G4-57	High	About the report
G4-58	High	2.3 Risks and Compliance Management
Economic Performance Indicators		
Economic Performance		
G4-DMA	High	4.1 Economic Value Creation
G4-EC1	High	4.1 Economic Value Creation Key Performance Form
G4-EC2	Medium	—
G4-EC3	Low	—
G4-EC4	Low	4.1 Economic Value Creation Key Performance Form
Market Presence		
G4-DMA	High	5.1 Employee Rights
G4-EC5	Low	5.1 Employee Rights
G4-EC6	Low	5.1 Employee Rights Key Performance Form
Indirect Economic Impacts		
G4-DMA	High	4.1 Economic Value Creation 4.3 Promoting Industrial Development 7.1 Supporting Social Welfare
G4-EC7	High	4.1 Economic Value Creation 4.3 Promoting Industrial Development 7.1 Supporting Social Welfare
G4-EC8	High	4.1 Economic Value Creation 4.3 Promoting Industrial Development 7.1 Supporting Social Welfare

No.	Correlation	Section
Procurement Practices		
G4-DMA	High	2.3 Risks and Compliance Management
G4-EC9	Low	2.3 Risks and Compliance Management
Environmental Performance Indicators		
Materials		
G4-DMA	Low	6.1 Environmental Management
G4-EN1	Low	—
G4-EN2	Low	—
Energy		
G4-DMA	High	6.1 Environmental Management 6.2 Green Finance 6.3 Green Operation
G4-EN3	High	6.1 Environmental Management 6.3 Green Operation Key Performance Form
G4-EN4	Low	6.1 Environmental Management 6.3 Green Operation Key Performance Form
G4-EN5	Low	—
G4-EN6	High	6.1 Environmental Management 6.3 Green Operation Key Performance Form
G4-EN7	High	6.1 Environmental Management 6.2 Green Finance 6.3 Green Operation Key Performance Form
Water		
G4-DMA	High	6.3 Green Operation
G4-EN8	High	6.3 Green Operation Key Performance Form
G4-EN9	Low	—
G4-EN10	Low	—
Biodiversity		
G4-DMA	N/A	—
G4-EN11	N/A	—
G4-EN12	N/A	—
G4-EN13	N/A	—
G4-EN14	N/A	—

No.	Correlation	Section
Emissions		
G4-DMA	High	6.1 Environmental Management
G4-EN15	High	6.1 Environmental Management 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
G4-EN16	Low	—
G4-EN17	Low	—
G4-EN18	Medium	—
G4-EN19	Medium	—
G4-EN20	Low	—
G4-EN21	Low	—
Effluents and Waste		
G4-DMA		6.1 Environmental Management 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety
G4-EN22	High	6.1 Environmental Management 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety
G4-EN23	High	6.1 Environmental Management 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety
G4-EN24	N/A	—
G4-EN25	N/A	—
G4-EN26	N/A	—
Products and Services		
G4-DMA	High	Superior Customer Service
G4-EN27	High	6.2 Green Finance
G4-EN28	Medium	Not Applicable
Compliance		
G4-DMA	High	6.1 Environmental Management
G4-EN29	High	6.1 Environmental Management
Transport		
G4-DMA	Low	—
G4-EN30	Low	—
Overall		
G4-DMA	High	8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety
G4-EN31	High	8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety

No.	Correlation	Section
Supplier Environmental Assessment		
G4-DMA	Medium	2.3 Risks and Compliance Management
G4-EN32	Medium	2.3 Risks and Compliance Management
G4-EN33	Low	2.3 Risks and Compliance Management
Environmental Grievance Mechanisms		
G4-DMA	Low	—
G4-EN34	Low	—
Society Performance Indicators: Labor Practices and Decent Work		
Employment		
G4-DMA	High	5.1 Employee Rights
G4-LA1	High	5.1 Employee Rights Key Performance Form
G4-LA2	High	5.1 Employee Rights Key Performance Form
G4-LA3	High	—
Labor/Management Relations		
G4-DMA	Medium	5.1 Employee Rights
G4-LA4	Medium	5.1 Employee Rights
Occupational Health and Safety		
G4-DMA	High	6.4 Occupational Health And Safety 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety
G4-LA5	Low	—
G4-LA6	High	6.4 Occupational Health And Safety 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
G4-LA7	High	6.4 Occupational Health And Safety 8.2 Environmental and Safety 9.2 Environmental and Safety 10.2 Environmental and Safety Key Performance Form
G4-LA8	High	6.1 Employee Rights 6.4 Occupational Health And Safety

No.	Correlation	Section
Training and Education		
G4-DMA	High	5.2 Employee Development
G4-LA9	High	5.2 Employee Development Key Performance Form
G4-LA10	High	5.2 Employee Development Employee Development
G4-LA11	Medium	—
Diversity and Equal Opportunity		
G4-DMA	High	6.1 Employee Rights
G4-LA12	High	6.1 Employee Rights
Equal Remuneration for Women and Men		
G4-DMA	Medium	6.1 Employee Rights
G4-LA13	Medium	—
Supplier Assessment for Labor Practices		
G4-DMA	Medium	2.3 Risks and Compliance Management
G4-LA14	Medium	2.3 Risks and Compliance Management
G4-LA15	Medium	2.3 Risks and Compliance Management
Labor Practices Grievance Mechanisms		
G4-DMA	Low	—
G4-LA16	Low	—
Society Performance Indicators: Human Rights		
Investment		
G4-DMA	Low	—
G4-HR1	N/A	—
G4-HR2	N/A	—
Non-discrimination		
G4-DMA		5.1 Employee Rights
G4-HR3	Low	5.1 Employee Rights
Freedom of Association and Collective Bargaining		
G4-DMA	Low	5.1 Employee Rights
G4-HR4	Low	—
Child Labor		
G4-DMA	Low	5.1 Employee Rights
G4-HR5	Not involve	5.1 Employee Rights
Forced or Compulsory Labor		
G4-DMA	Low	5.1 Employee Rights
G4-HR6	Low	5.1 Employee Rights
Security Practices		
G4-DMA	N/A	—
G4-HR7	N/A	—

No.	Correlation	Section
Indigenous Rights		
G4-DMA	N/A	—
G4-HR8	N/A	—
Assessment		
G4-DMA	N/A	—
G4-HR9	N/A	—
Supplier Human Rights Assessment		
G4-DMA	Low	—
G4-HR10	Low	—
G4-HR11	Low	—
Human Rights Grievance Mechanism		
G4-DMA	Low	—
G4-HR12	Low	—
Society Performance Indicators: Society		
Local Communities		
G4-DMA	High	7.1 Supporting Social Welfare 7.2 Response to the Poverty Alleviation Policy 7.3 Volunteer Service
G4-SO1	High	7.1 Supporting Social Welfare 7.2 Response to the Poverty Alleviation Policy 7.3 Volunteer Service
G4-SO2	High	7.1 Supporting Social Welfare 7.2 Response to the Poverty Alleviation Policy 7.3 Volunteer Service
Anti-corruption		
G4-DMA	High	2.3 Risks and Compliance Management
G4-SO3	High	2.3 Risks and Compliance Management
G4-SO4	High	2.3 Risks and Compliance Management
G4-SO5	High	2.3 Risks and Compliance Management
Public Policy		
G4-DMA	Low	—
G4-SO6	Low	4.1 Economic Value Creation
Anti-competitive Behavior		
G4-DMA	Low	—
G4-SO7	Low	—
Compliance		
G4-DMA	High	2.3 Risks and Compliance Management
G4-SO8	High	Key Performance Form

No.	Correlation	Section
Supplier Assessment for Impacts on Society		
G4-DMA	Low	2.3 Risks and Compliance Management
G4-SO9	Low	2.3 Risks and Compliance Management
G4-SO10	Low	2.3 Risks and Compliance Management
Grievance Mechanisms for Impacts on Society		
G4-DMA	Low	—
G4-SO11	Low	—
Society Performance Indicators: Product Responsibility		
Customer Health and Safety		
G4-DMA	High	4.4 Superior Customer Service
G4-PR1	High	4.4 Superior Customer Service
G4-PR2	High	4.4 Superior Customer Service
Product and Service Labeling		
G4-DMA	High	4.4 Superior Customer Service
G4-PR3	High	4.4 Superior Customer Service
G4-PR4	Low	4.4 Superior Customer Service
G4-PR5	High	4.4 Superior Customer Service
Marketing Communications		
G4-DMA	High	4.4 Superior Customer Service
G4-PR6	Low	—
G4-PR7	Low	Key Performance Form
Customer Privacy		
G4-DMA	High	4.4 Superior Customer Service
G4-PR8	High	4.4 Superior Customer Service
Compliance		
G4-DMA	High	4.4 Superior Customer Service
G4-PR9	Low	Key Performance Form



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