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FAR EAST HORIZON

2018

Far East Horizon
Environmental, Social
and Governance Report



A Hong Kong Stock Exchange Listed Company
Stock Code 03360.HK

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2018 Responsibility Overview

Investor Responsibility

- In 2018, the total assets reached up to 265.969 billion yuan, up by 16.93% compared to that of the previous year.
- In 2018, the total profit reached 6.492 billion yuan, up by 35.62% compared to that of the previous year.
- In 2018, the operating income reached 25.4 billion yuan.
- In 2018, daily average communication frequency of investors was 3.3 investment companies a day.

Customer Responsibility

- By the end of 2018, the company had served about 15,000 real industry's customers and provided nearly 800 billion yuan of funds to real industry's customers.
- By the end of 2018, 54 medical institutions were invested, and the total number of contracted holding or participating hospitals and clinics which were put into operation had reached 46.
- By the end of 2018, 13 kindergartens and 3 schools had been operated with nearly 1,800 students on campus.
- By the end of 2018, Far East Horizon Infrastructure Construction had 4 operating bases and 20,000 customers.

Employee Responsibility

- The total number of employees is 12,813, among which 67% are male and 33% are female.
- Training hours for each employee of the finance sector exceeded 37 hours.
- Employees Care Program offered aid of 435,000 yuan to employees stricken by accidents.
- Training for the safety of employee reached 26,701 person-time.

Environment Responsibility

- 5.06 billion yuan was invested in the Special Support Program for Green Public Transportation, Green Environmental Protection and Green Energy.
- Total greenhouse gas emissions of finance sector reached 6,366 tons carbon dioxide equivalence.
- Total greenhouse gas emissions of industry sector reached 37,890 tons carbon dioxide equivalence.

Public Welfare Responsibility

- By the end of 2018, public welfare programs were organized across 48 cities in 26 provinces or autonomous regions.
- By the end of 2018, over 16 million yuan had been donated, benefiting nearly 30,000 people.
- In 2018, volunteer participation time reached 2,000 hours.

Message from the President

2018 is the 40th anniversary of the implementation of the opening up and reform policy, and the 17th year for Far East Horizon moving south to start business. Looking back on 2018, Chinese economy faced the upgraded dual pressures of the external challenges and internal development contradictions. However, it showed strong development resilience and potential on the whole. As one of the witnesses and beneficiaries to the reform and the opening up, Far East Horizon firmly believes that the Chinese Communist Party and the central government have the determination, confidence, and ability to promote the successful transformation and upgrading of Chinese economy. As a responsible corporate citizen, Far East Horizon will come down to earth and participate in the promotion of the long-term and healthy development of the national economy, and contribute with our full effort to ultimate realization of the great rejuvenation of Chinese nation.

In 2018, facing external challenges more frequently, all the Far East Horizon employees struggled with unremitting efforts to overcome the difficulties. The Company's assets have reached nearly 300 billion yuan, with a higher ranking in the Forbes global 2000 and Fortune China 500, winning more attention and recognition from the world.

In 2018, the Company's "Financial + Industry" development strategy was steadily advanced, and the good commercial value of the coordinated development of the industry and finance was accelerated.

In the finance sector, we adhered to the concept of "service industry upgrading and service city upgrading", and made solid efforts to help the development of China's real economy by integrating various resources in the financial and industrial chain and innovating a combination of services and by providing more diversified products and services. By 2018, the Company has invested nearly 800 billion yuan in the 7 basic industries, which helped over tens of thousands of entities address their financing issues.

In the finance sector, we adhered to the concept of "service industry upgrading and service city upgrading", and made solid efforts to help the development of China's real economy by integrating various resources in the financial and industrial chain and innovating a combination of services and by providing more diversified products and services. In the medical sector, we centered on the operating mode of "one set of system and one network for one hospital", fully facilitated the establishment of an academic business unit and the building of the standardized, centralized operating network, thus offering the public across China with quality medical, rehabilitation and elderly care services. In the construction sector, the Horizon Equipment and Hongjin Equipment realized

strategic integration, and opened a new journey with a new image-Horizon Construction Development, escorting a large number of international key projects such as the Hong Kong-Zhuhai-Macao Bridge and China's first import expo. In the education sector, we were in line with the new situation of the education industry and actively promoted the K-12 high-end private education system from kindergartens and compulsory education to international high schools, providing quality domestic and overseas education for nearly 1,800 students.

As a responsible corporate citizen, Far East Horizon paid close attention to the fulfillment of the staffs, and the development of the environment and the community, while promoting the industrial progress and practicing responsibilities for investors and customers. We actively built a sound and efficient career development system, provide a multivariant, tolerant, open and equivalent work environment, which was full of vitality, and made a career platform from where our employees could find their happiness of their membership. We put the safety production and environmental protection as the top priority for our survival and development with strict control of the industrial operation risks, meanwhile, integrating energy conservation and emission reduction into the Company's daily operation, continued to support and promote the development of green industry, and promoted the construction of ecological civilization. We have established Horizon Public Welfare Foundation, focusing on education and public welfare, medical assistance and poverty-stricken alleviation. We have carried out public welfare projects in 26 provinces, autonomous regions and 48 cities, and donated over 16 million yuan, benefiting over 30,000 people.

In 2019, there are still uncertainties in the global economy. China's economy will continue to strike a balance between "steady growth" and "structural adjustment". No matter how good or bad time is, Far East Horizon will continue to maintain highly consistent with the way the resources, business operate and the growth rate of the Chinese economy, pay close attention to and participate in the basic industries that are closely related to people's life and urbanization development, continuously meet the people's longing for a better life, aiming to realize the goal of "Striving to build an outstanding enterprise" with continuity, effectiveness, and the continuous value creation for all social parties.

Vice-chairman, Executive Director and
CEO of Far East Horizon Limited

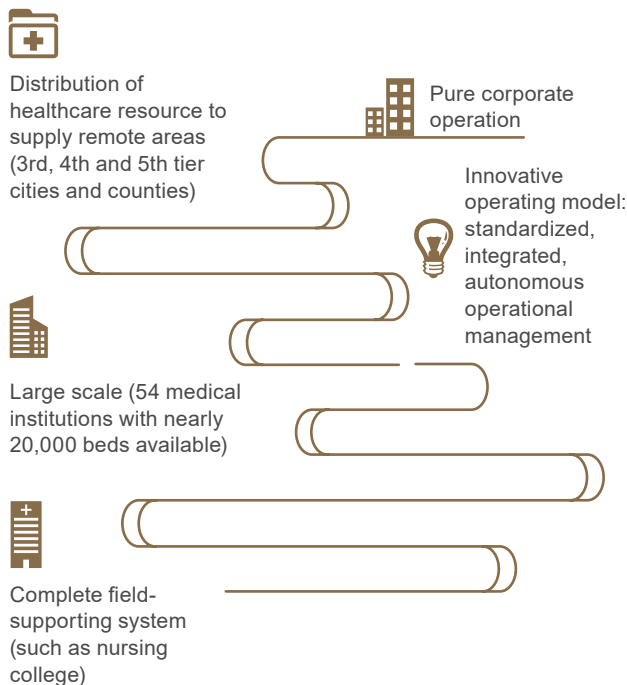
Feature: Integrating Global Resources Promoting China's Industries

Far East Horizon Healthcare: Serving China's Medical Industry, Caring for National Health

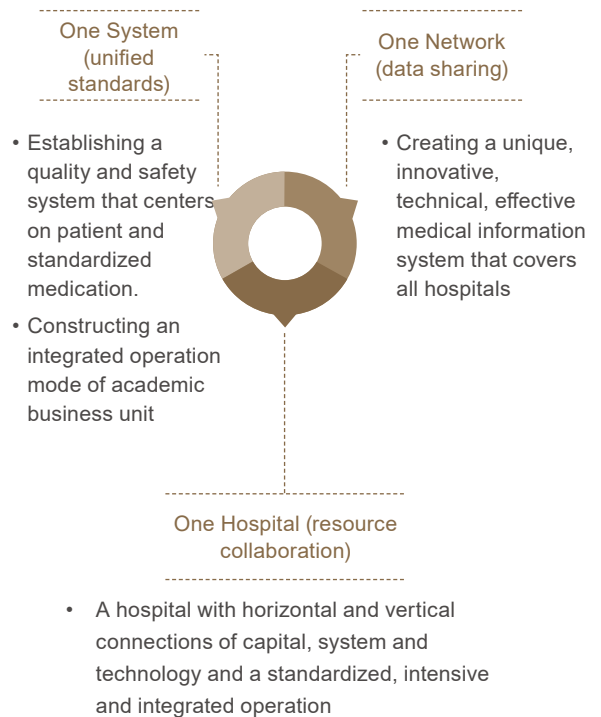
As one of the first comprehensive finance industry service providers in China focusing on healthcare, Far East Horizon Healthcare is committed to creating a full industry chain with financial service, hospital group and rehabilitation care as the core business, and forming a macro health industry ecosystem with openness as concept, innovation as driver, coordination as support and win-win as goal. At present, Far East Horizon Healthcare provides diverse services such as capital, investment, technology and management to domestic medical institutions, medical manufacturing companies and medical distribution companies, and provides quality medical services for the public through its medical institutions.

Under the key medical innovation operation mode of “one set of system and one network for one hospital” (hereinafter referred to as “Three Ones”), Far East Horizon Healthcare actively promotes the establishment of academic business unit, and builds a core management mode of “Integration of Disciplines” and “Specialty Branch System”. Far East Horizon Healthcare management structure is adjusted accordingly and many departments were established including Women and Children Department, Medical Diagnostics Department, Nephrology Department, Orthopedics Department, Rehabilitation Department, Retirement Department, and Kangda Vocational and Technical College. It focuses on superior resources to improve its medical skills and operational efficiency.

The Unique Operating Advantages of Far East Horizon Healthcare



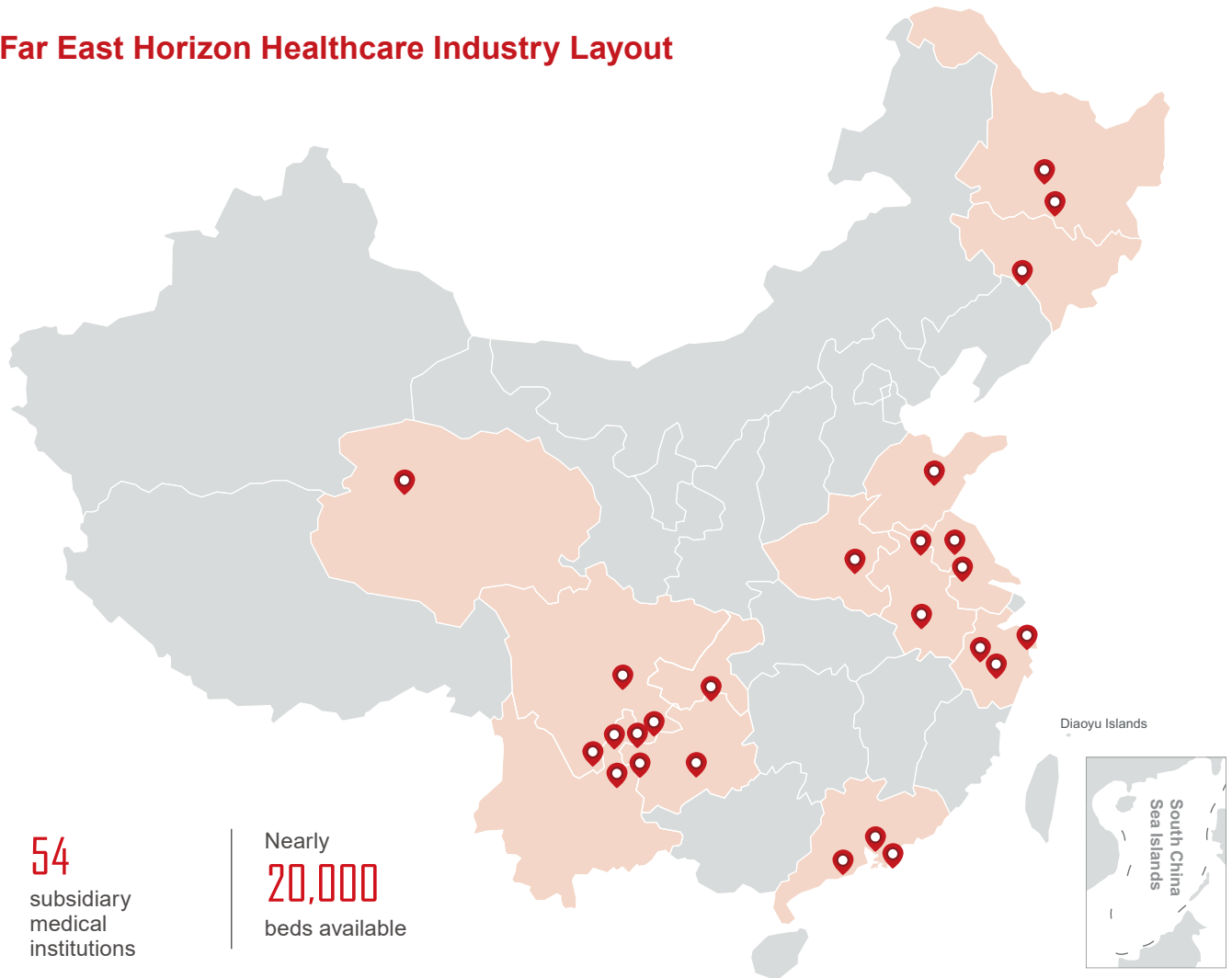
"Three Ones" Innovation Model



By the end of 2018, with over 10 years' experience in cooperating with domestic medical institutions on financial services, Far East Horizon Healthcare has invested more than 130 billion yuan in more than 2,700 institutions,

which has strongly promoted the healthy development of medical institutions. The number of medical institutions under Far East Healthcare has reached to 54, with nearly 20,000 open beds .

Far East Horizon Healthcare Industry Layout



While providing direct services to the medical institutions through business development, Far East Horizon Healthcare has also actively built a constructive platform for industry exchanges to provide more comprehensive care and services for our partners.



Providing Management Courses for Medical Institutions

- In 2018, Far East Horizon Healthcare held several activities of "Financial Intelligence Gathering", "Workshop" and "Medical Vision", integrated excellent teachers from home and abroad, and provided relevant courses of institutional operation management for more than 700 hospital managers nationwide.



Active Participation in Industry Exchanges

- Share the experiences and achievements of integrated operation of medical institutions through activities such as "China Private Hospital Development Annual Conference 2018" and "China Non-public Health Care Leaders' Summit".
- Maintain close and continuous communication with the Chinese Medical Doctor Association's Non-public Medical and Health Institution Physician Work Committee to promote the industry to be more standardized, qualified and efficient.



Online and Offline Knowledge Sharing

- Provide related knowledge sharing to the medical and health field through online and offline channels such as WeChat Official Account "Far East Medical Vision", communicate with people in the same industry with an open mind, and promote the development and improvement of the industry knowledge system.

Far East Horizon Construction: Assisting in Infrastructure Construction, Safeguarding the Development of the People's Livelihood

Far East Horizon Construction is a comprehensive industry operation service provider offering multi-dimensional and comprehensive services for infrastructure construction industry. By integrating industrial chain resources, focusing on the field of infrastructure investment, and continuously upgrading the synergistic service capability of integration of investment, financing, construction and operation, it forms a rotation of finance and industry.

Over the past decade, Far East Horizon Construction has formed a deep connection with the vast number of customers and built three service platforms on the whole industry chain of infrastructure: building a financial service platform for the whole industry chain based on the mainstream construction enterprises; building a high-end integrated equipment engineering service platform based on the operating rental companies; building an infrastructure investment and financing platform cooperated with external professional institutions and powerful construction enterprises.

In order to accelerate the construction of one-stop, full range equipment operation service capabilities, in 2018, two major equipment operation service companies: "Horizon Equipment" and "Hongjin Equipment" strategically integrated into Shanghai Horizon Construction Development Co., Ltd. (hereinafter referred to as "Horizon Construction Development"). Horizon Construction Development is committed to providing one-stop

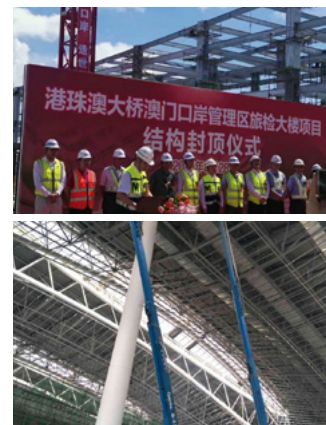


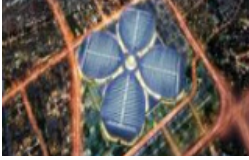
solutions for equipment rental, engineering construction, agency sales, spare parts sales, second-hand disposal, maintenance and remanufacturing for all types of enterprises in the construction field, through nationwide operation network and compound operation and continue to create value for users.

Assisting in the Construction of the Hong Kong-Zhuhai-Macau Bridge

The opening ceremony of the Hong Kong-Zhuhai-Macau Bridge was held in Zhuhai, Guangdong province On October 23, 2018. As the longest span cross-sea bridge in the world, the Bridge connects Hong Kong to the east and Zhuhai and Macau to the west. It is another major infrastructure project in China after the Three Gorges Project and the Qinghai-Tibet Railway. It is also the "Super Project" with the most complex technology, the highest environmental protection requirements and the highest construction standards in the history of bridge construction in China.

Horizon Construction Development (formerly Horizon Equipment) , subsidiary of Far East Horizon Construction, provides a complete high-altitude operation vehicle solution for the construction of Hong Kong-Zhuhai-Macau Bridge with its localized resource advantages and rich experience and strength. During the construction of the Bridge project, Horizon Equipment put nearly 1,000 sets of high-altitude vehicle equipment, providing standardized service with 24 hours on seven days a week, which reflected the professional service system of Far East Horizon.





Provide the Power Equipment for China International Import Expo in Shanghai



Participate in Scaffolding Project of ChengduTianfu International Airport



Participate in the Construction of Jingxiong Intercity Railway



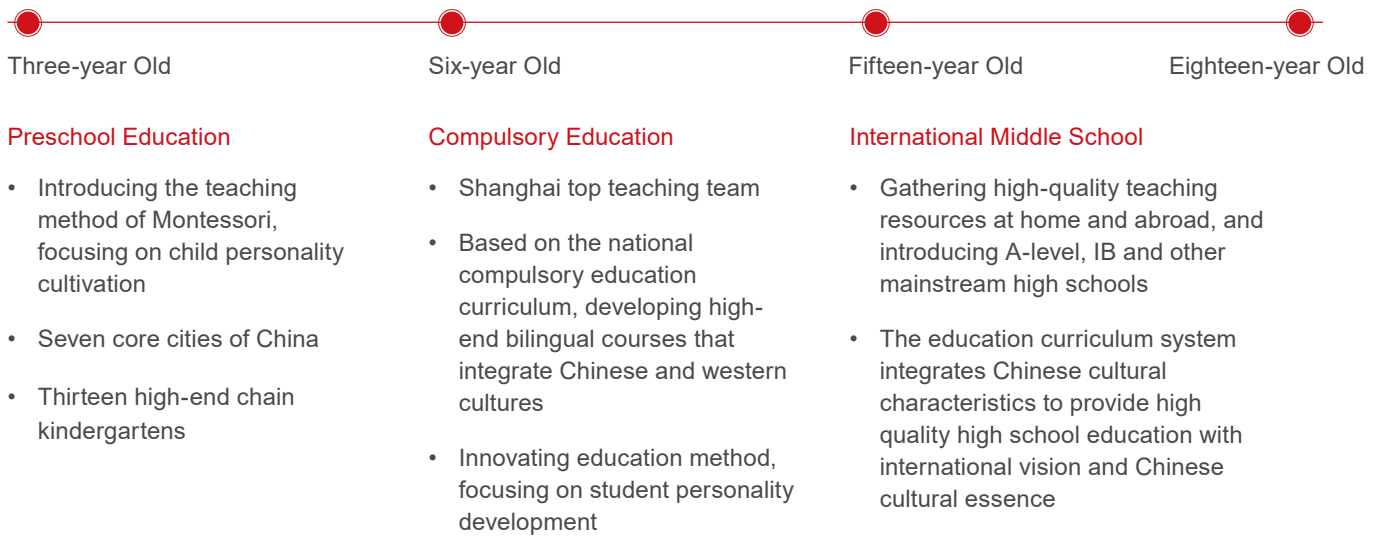
Participate in the Construction of Beijing Daxing International Airport

Far East Horizon Education: Flourishing Chinese Culture, Invigorating National Education

Far East Horizon Education was founded in 2008 as one of the first comprehensive financial service organizations engaged in fields of education, science & technology, culture and sports in China, and has long been providing solutions in terms of investment and financing and consulting for over 1,000 education, science, cultural tourism and sports organizations in China. Under the

strategy of "Finance + Industry" of Far East Horizon, Far East Horizon Education actively lays out K-12 educational fields covering kindergartens and compound schools, realized the whole education line from preschool to higher education, and builds a consistent and high-quality education brand.

K-12 Education Servicing 30,000 to 40,000 high-end families



In terms of educational philosophy, in 2018, Far East Horizon Education creatively refined the educational service innovation model with the core of "School Plus Garden", that is to create an innovative "Learning Space" with the "Integration of Knowledge and Action" teaching

style. The healthy, comfortable, warm and culturally rich campus environment makes school a "Home" and a "Paradise" to help children develop their interests, broaden their horizons and inspire their potential.

Education Pattern

Specific Measures

“School”

“Knowledge”
On the basis of respecting the national curriculum system, we integrated international education, highlighted the humanities, and carried out teaching innovation.

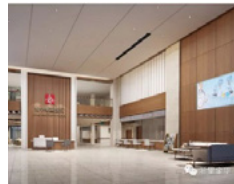


English Course



National Studies Course

“Practice”
By grafting the rich external social resources of the Far East Horizon, we provided students with opportunities for off-campus practice from a social perspective, and promoted the integration of knowledge and practice.



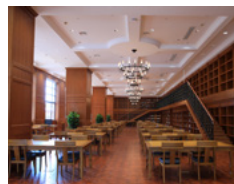
Hospital Volunteer



Travel for Research and Learning

“Garden”

Full-function
Every section and detail exceeded parents expectations.



Library



Direct-drinking Water Detection

Cultural
Through infiltrating educational methods, a multicultural system with food culture, family culture and campus culture were formed to enhance students' cultural literacy.



Chocolate Factory



Belt and Road Culture Week

Innovating Education Model, Expanding Diverse Thinking

Shanghai Pudong New Area Non-governmental Hongwen School (hereinafter referred to as “Shanghai Hongwen School”) is a nine-year-old compound school under the Far East Horizon Education, which was established in 2018. Adhering to the schooling philosophy of “Student-centered integration of East & West elite Education”, the school aims at providing high-level international education with a series of innovative talent training concepts and methods for future education to realize “Continuous development of student’s passion, interests and career” and cultivate talents for the future.

Under the guidance of experts in the research institute of Far East Horizon Education, Shanghai Hongwen School creatively proposed interdisciplinary course teaching based on the themes of humanities and science. Through a project or a theme, the integration of different courses trained students in diversified thinking by the integrated use of knowledge of different disciplines. In addition, the form of specialization and cooperation of the project has also fully strengthened the teamwork and leadership spirits of students.

Compared with students who had achieved high scores in single course learning through high-intensity training, students who had received the interdisciplinary integration curriculum education of Hongwen were better able to cultivate a better learning method and diversified thinking, and had truly become a “talent for the future”.



Physical Education Curriculum



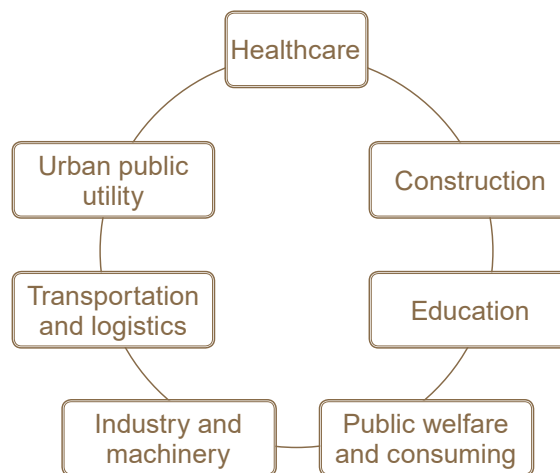
STEM Teaching

“Finance + Industry”: Supporting the Upgrade of the Industry and the City

Since the official release of the development strategy of “Finance + Industry” in 2011, Far East Horizon has gradually transformed from a single financial service company to a new stage of superimposed development of financial business and industrial business.

In 2018, the Company further focused on seven business sectors, namely healthcare, construction, education, public welfare and consuming, industry and machinery, transportation and logistics, as well as an urban public

utility, deepening the industrial chain, searching for quality customers within the industry, and continuously increasing customer coverage. By the end of 2018, Far East Horizon had invested nearly 800 billion yuan in seven basic industries, helped more than 15,000 entity enterprises to solve financing problems, and business covered 33 provincial administrative regions of China, effectively supporting the development of the real economy and industrial upgrading.



Supporting SME development

Small and medium-sized enterprises are one of important forces of China’s national economy and social development. Far East Horizon paid close attention to the development of small and medium-sized enterprises, and

built a financial service platform for small and medium-sized enterprises by establishing “Galaxy Financial Plan”, “Industrial Elite Academy of Far East Horizon”, etc. to provide support for the healthy development of enterprises.

Galaxy Financial Plan

Far East Horizon “Galaxy Financial Plan” is committed to providing customized various financial services and products for SME in manufacturing industry with good development potential, and helping them to complete technological upgrading.

As for the cooperative enterprises joined the Galaxy Financial Plan, the Company also established the Galaxy Member Club to provide a series of growth companion services for members, including a corporate think tank—the Far East Industrial Research Center. It periodically provided macroeconomic operation monitoring reports, industry research reports and released the annual Far East Industrial Climate Index for cooperative enterprises etc. to fully support the growth of SME.

Elite Academy of Far East Horizon

Elite Academy of Far East Horizon was established in 2001, aiming to build a studying and sharing platform for manufacturing leaders to better facilitate the development of small and medium-sized enterprises by creating a series of business growth courses, such as EMBA class for manufacturing industry, lectures of distinguished speakers, smart financier, and Xinliao yuan program.



EMBA Elite Academy Spring Class of Far East Horizon for Manufacturing in 2018



EMBA Elite Academy Autumn Class of Far East Horizon for Manufacturing in 2018

Boosting the development of advanced manufacturing industry

Accelerating the development of intelligent manufacturing is the only way to cultivate new drivers of China's economic growth. It is of great strategic significance to promote the supply-side structural reform of the manufacturing industry, create new competitive advantages in the manufacturing industry, and realize the manufacturing power. Far East

Horizon has long been committed to the development of high-end manufacturing industry and intelligent manufacturing industry, and assisted the transformation and upgrading of China's manufacturing industry through strategic investment in Silang Technology, Wima Automobile and other manufacturing enterprises.

Grand Flight Investment Contributing to China's Chip Industry

In December 2018, With Far East Horizon (HK.03360) as its main initiator, Grand Flight Investment Management Co., Ltd. (hereinafter referred to as "Grand Flight Investment"), a private equity fund management company of Far East Horizon, and Shanghai Lianhe Investment Co., Ltd. jointly completed the investment in Beijing Silang Technology Co., Ltd. (hereinafter referred to as "Silang Technology"), a domestic high-end chip design company.

Silang Technology is a company designing high-performance chip and specializing in system architecture innovation. The MaPU chip developed and designed by Silang Technology has strong core technical advantages and is expected to make a great breakthrough in China's microprocessor architecture. The investment of Grand Flight Investment was a significant measure to implement the development strategy of "financial power + industrial capacity" of the Far East Horizon and promoted the independent innovation and development of China's electronics industry, which was of great significance for promoting the development of China's high-end manufacturing industry.

Investing in Weima Automobile - constructing Automobile Industry Ecosystem

Far East Horizon pays close attention to the development of intelligent manufacturing industries such as smart electric vehicles, and actively lays out in emerging fields, such as new energy vehicles, smart travel, new retail of automobiles, etc. to provide diversified and customized comprehensive services for industry customers.

In March 2018, Far East Horizon and Grand Flight Investment Management. Ltd. signed an equity investment agreement and strategic cooperation agreement with Weima Automotive Technology Co., Ltd. As a leading domestic new energy automobile enterprise, Weima Automobile has a core team of more than one thousand staff, and has signed strategic cooperation agreements with a number of world-class suppliers and partners, and has carried out close and in-depth cooperation in vehicle research and development, new energy, Internet, artificial intelligence and other fields. The signing of the contract also meant that the service industry of Far East Horizon was upgraded, and the strategic direction and layout of innovative financial services covering the entire industrial chain of the automobile reached a new level.

Supporting urban upgrading

In the context of the ever-changing urban development, Far East Horizon actively assists urban upgrading, and intensifies its efforts in urban infrastructure construction, urban municipal services, and urban operational services. Through the organic combination of financial resources and industrial resources, it supports China's new urbanization development and overall urban upgrading.

Shanghai Grand Glory Eco Technology Co., Ltd. ("Grand

Glory Eco Technology"), subsidiary of Far East Horizon, focuses on soil and water environmental governance, and offers professional contamination remediation technology and integrated water environment solutions to improve urban environmental issues as soil contamination and water pollution and create a sustainable ecological environment. In 2018, Grand Glory Eco Technology implemented a total of 6 soil remediation projects and 1 water environment comprehensive treatment project.

Contaminated Soil and Groundwater Remediation Project of Putuo District 5A Public Green Space

In 2018, Grand Glory Eco Technology won the bid of contaminated soil and groundwater remediation project of Putuo District 5A public green space, which is a site remediation project with the highest difficulty in pollution source control with barrier technology and the biggest barrier area ever in China. Based on the early soil survey and assessment results, the soil and groundwater in the site were found highly contaminated by heavy metals, VOC/SVOC and TPH. After the remediation, the site will be built into a 65,000 m² multifunction public green space for amusement of the people, which is of great significance to the improvement of regional ecological environment and promotion of regional social-economic development.



1. About Far East Horizon

1.1 Company Profile

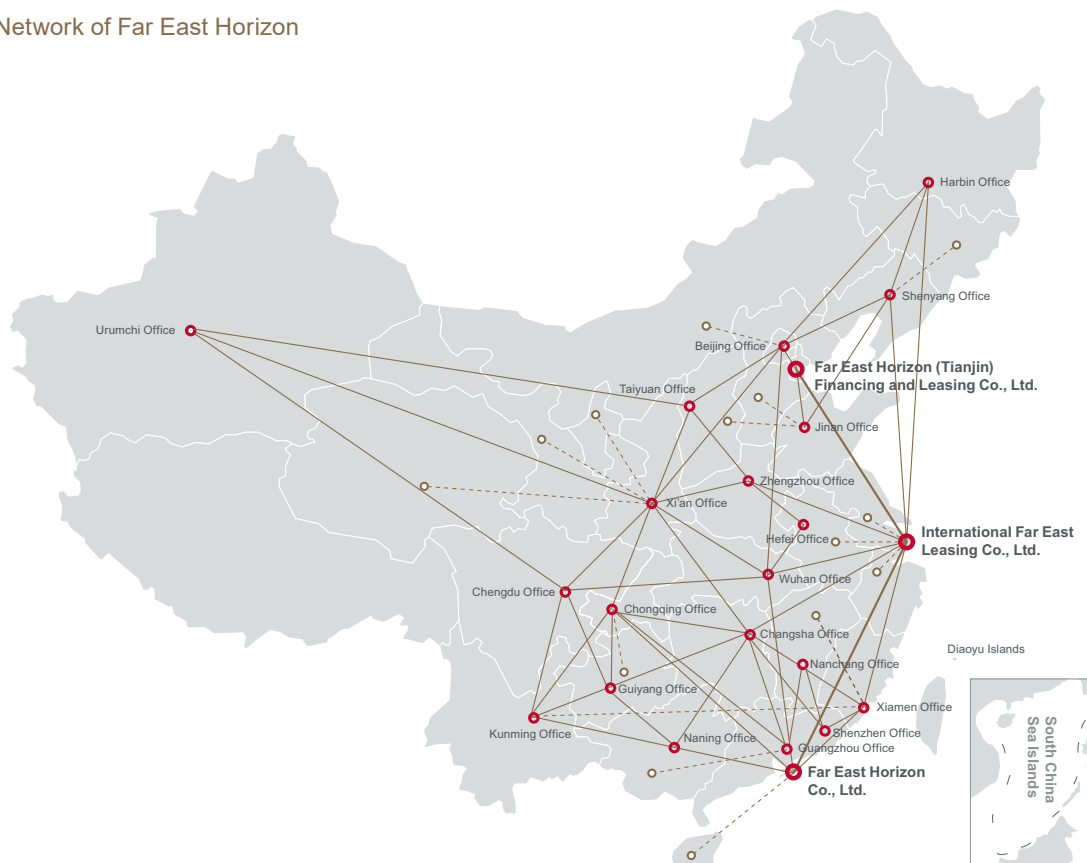
Far East Horizon Limited Company (hereinafter referred to as “Far East Horizon”) was listed on the Main Board of The Stock Exchange of Hong Kong on 30 March 2011 with the stock code of 03360.HK. Adhering to the business philosophy of “Finance Plus Industry”, Far East Horizon is a leading Chinese innovative financial institution, which is committed to providing customers with customized integrated industry operation services by continuous products and services innovation, and forging ahead toward the corporate development mission of integrating global resources and supporting Chinese industry.

Far East Horizon provides integrated industrial services covering financial services, industrial investment, engineering services, trading brokering, management consulting for multiple areas including healthcare, construction, education, public welfare and consuming, industry and machinery, transportation and logistics, urban

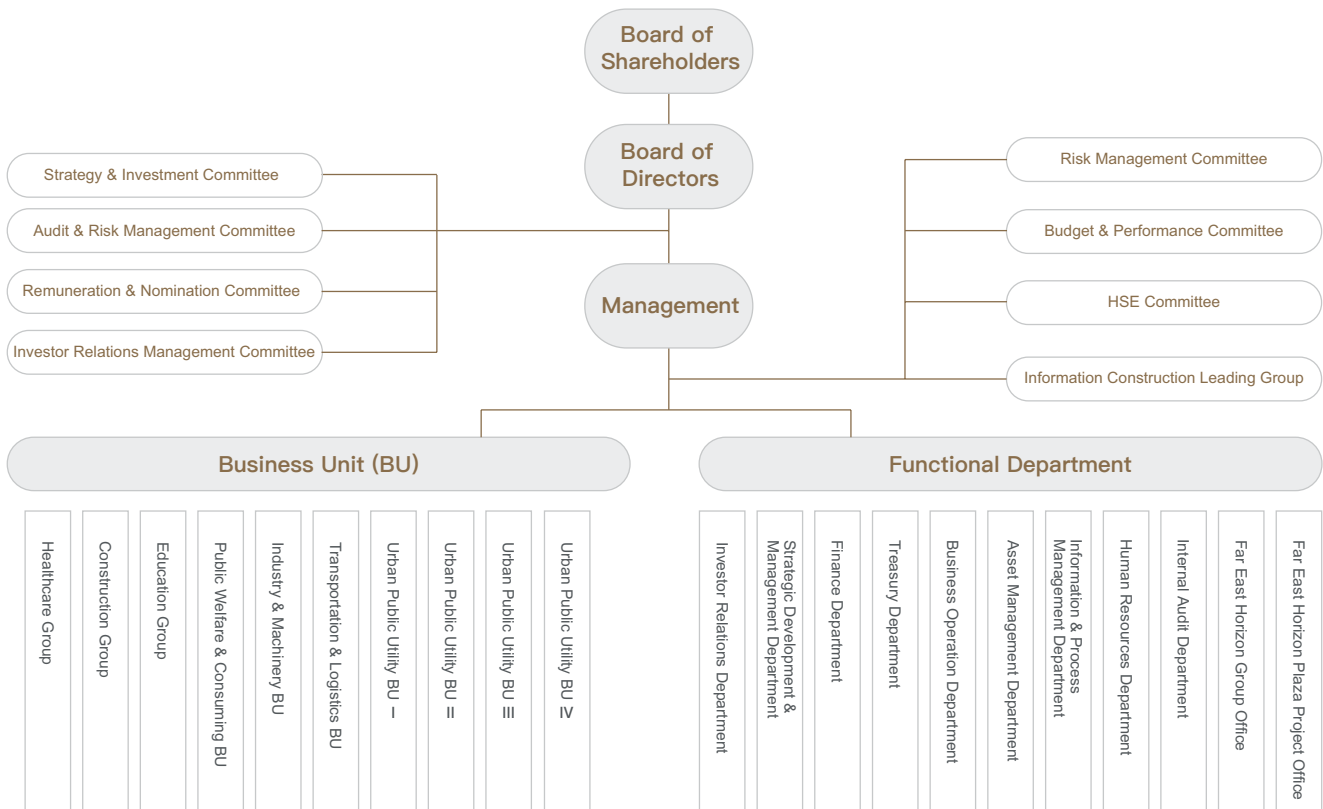
public utility, etc. Far East Horizon has been leading the industrial development trends for over a decade, and has been selected into Fortune China 500 and Forbes Global 2000.

The headquarter of Far East Horizon is located in Hong Kong, and its business operation centers are in Shanghai and Tianjin. It has established a nationwide customer service network, with offices covering Beijing, Shenyang, Jinan, Zhengzhou, Wuhan, Chengdu, Chongqing, Changsha, Shenzhen, Xi’an, Harbin, Xiamen, Kunming, Hefei, Naning, Urumchi, Guiyang, Nanchang, Taiyuan, Guangzhou and other major cities. In addition, Far East Horizon actively expands its international resources and builds professional operation platforms in terms of financial services, industrial investment, engineering services, trade brokering, and management consulting, both domestically and internationally.

Service Network of Far East Horizon



1.2 Organization Chart



1.3 Development History

Time	Event
Year 1991	International Far Eastern Leasing Co., Ltd., the predecessor of Far East Horizon Ltd., was officially established after receiving approval from China’s Ministry of Foreign Trade and Economic Cooperation. The company thus began its initial exploration of the financial leasing sphere as a pioneer of China’s leasing industry.
Year 2001	Eleven people from Far East moved from Shenyang to Shanghai to start their business.
Year 2003	The first business unit, Medical System BU (now the Healthcare Group), was set up in accordance with the formal operation layout of industrial division of labor, creating a precedent for the financial leasing industry to operate business according to the industrial divisions .
Year 2005	Packaging BU (related businesses are now integrated into Public Welfare & Consuming BU) was set up.
Year 2006	Shanghai Donghong Co., Ltd. was set up and began exploration of other business areas outside of the financial leasing sphere..

Time	Event
Year 2007	Strategic transformation from a single financial service to a comprehensive operation service was proposed for the first time. Construction BU (now the Construction Group) was set up. Shipping BU (now the Transportation & Logistics BU) was set up.
Year 2008	Education BU (now the Education Group) was set up. Machinery BU (now the Industry and Machinery BU) was set up.
Year 2010	The first medical entity platform: Shanghai Domin Medical Engineering Co., Ltd. (medical engineering and equipment trading business) was set up.
Year 2011	Listed on The Stock Exchange of Hong Kong and was the first mainland company listed in Hong Kong for financial leasing. Formally put forward The Far East Business Model: an organic and effective combination of finance and industry forming the complementary and integrated advantage. An entity platform was set up focusing on infrastructure equipment management-Horizon Equipment (now integrated into Horizon Construction Development). Textile BU (related businesses are now integrated into the Public Welfare & Consuming BU) was set up.
Year 2012	Electronics & Information BU (now business unit of people's livelihood and consumption) was set up.
Year 2013	Engineering formwork business entity platform — Hongjin Equipment (now integrated into Horizon Construction Development) was set up. A hospital management consulting entity platform — Horizon Healthcare Investment & Holding (Shanghai) Co., Ltd. was set up. A hospital investment operation entity platform — Horizon Healthcare Management (Shanghai) Co., Ltd. was set up.
Year 2014	The operation center in Tianjin for the business for northern customers was formally set up.
Year 2015	Public Utility BU was set up. High-quality kindergarten operating entity platform — Shanghai Team Joy Management Limited was set up. High-end bilingual school operating entity platform — Shanghai Teamally Enterprise Management Co., Ltd. was set up. High-end maternity hospital investment operating entity platform — Shanghai Thrive Kind Healthcare Investment Co., Ltd. was set up. Healthcare Group, Construction Group and Education Group were set up.
Year 2016	An entity platform for investment and operation in the field of rehabilitation and old-age care — Shanghai Everboom Health Investment Co., Ltd. was set up. Grand Flight Investment Management Co., Ltd. for industrial investment and coordinating with headquarter business was set up.
Year 2017	After the business restructuring and adjustment, a business matrix of healthcare, construction, education, public welfare and consuming, industry and machinery, transportation and logistics, urban public utility (I 、 II 、 III 、 IV) formed. Environment protection industry operating entity platform — Shanghai Grand Glory Eco Technology Co., Ltd. was set up.
Year 2018	People from Far East moved into the Company's new site Far East Horizon Square and finally had their own home. Horizon Equipment and Hongjin Equipment were integrated and became equipment operation service provider — Shanghai Horizon Construction Development Co., Ltd.

2. Responsibility Orientation for Shared Value

Based on the core responsibility concept of “create value sharing and co-build harmonious development”, Far East Horizon continuously explores innovative comprehensive industry operation services, and deepens our CSR

practice, so as to create value for shareholders, employees, partners, investors, government, the community and other stakeholders and promote the sustainable development of the Company and the community.

2.1 CSR Concept

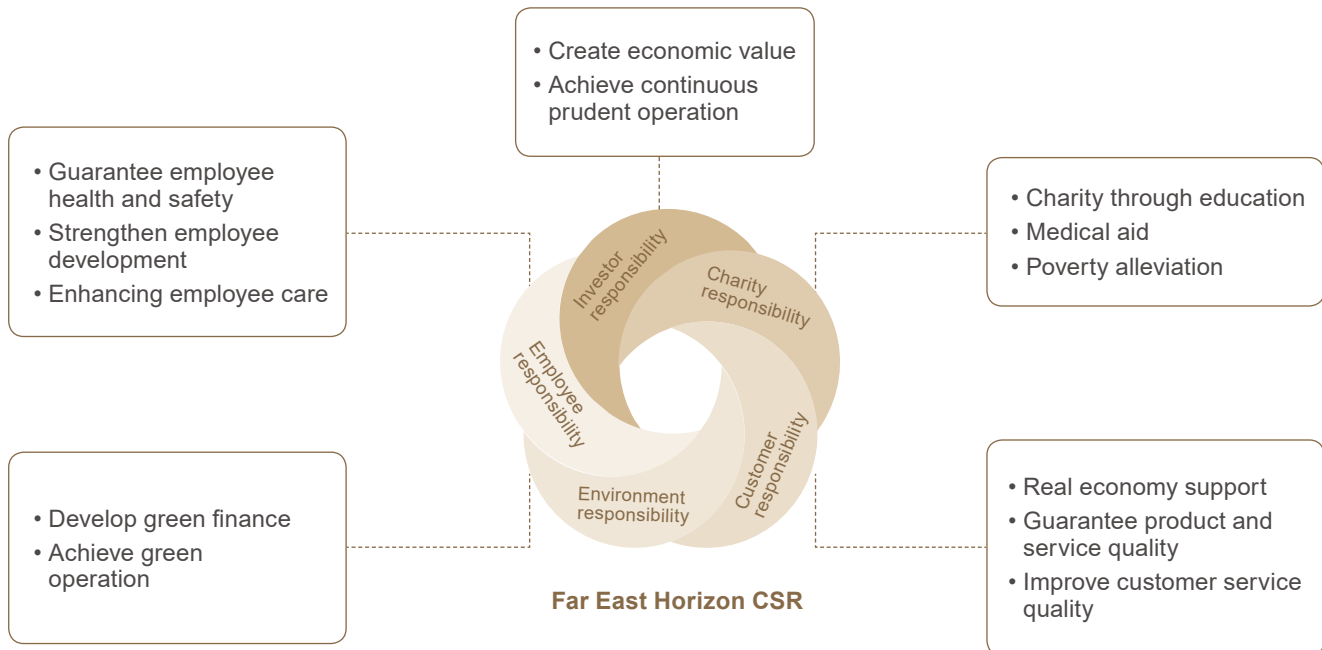
Mission and vision

Mission and Vision	<p>Integrating global resources and promoting China’s industries</p> <ul style="list-style-type: none"> • We integrate global resources, to meet the needs of our Chinese customers, and strive to enjoy harmonious development goals with them • Driven by constant innovation, we continue to comprehensively support our customers • We promote the development of key industries, in order to boost a national renaissance
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Adhering to the corporate objective of “Striving to shape an outstanding enterprise”, the Company has long been committed to the five CSR fields as investor responsibility, charity responsibility, employee responsibility and

environment responsibility and customer responsibility, which guide the direction of our sustainable development, affect and support each other to exert a permanent influence.

Create Value Sharing and Co-build Harmonious Development



2.2 Social Responsibility Management

Communications with stakeholders

The Company has been considering the corporate social responsibility as an integral part of the overall operations, has established a regular mechanism for communication with key stakeholders as investors, customers, employees,

government and regulators, partners, environment, community and the public, and incorporated their expectations into the operation and decision-making process, in order to create value for them.

Expectations of Stakeholders and Responses

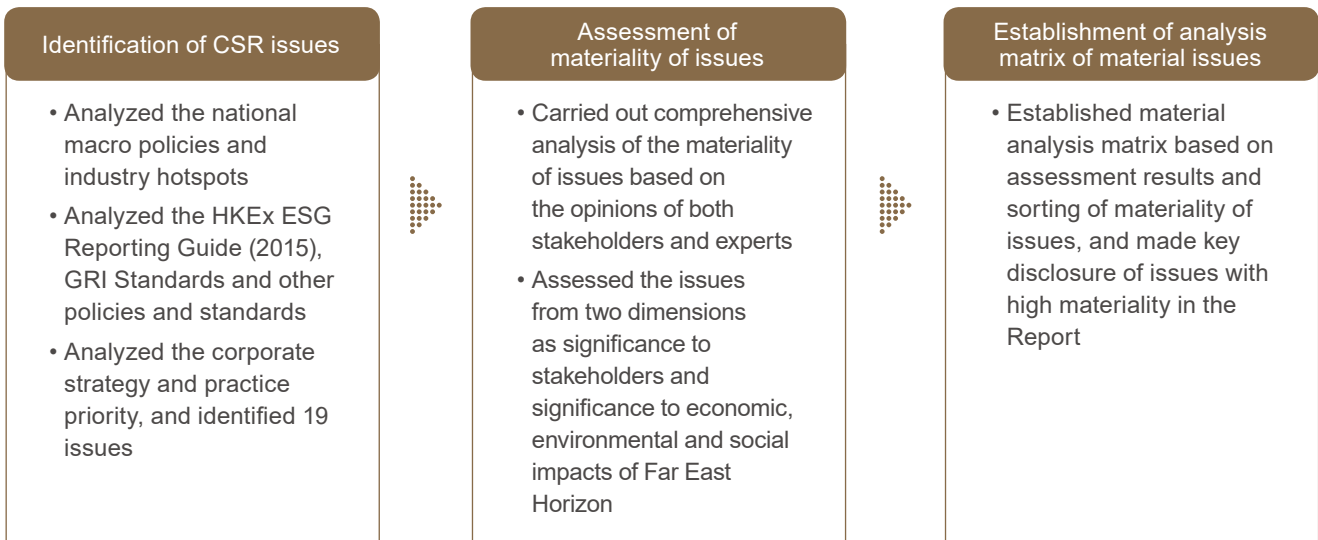
Stakeholders	Importance	Concerned Issues	Communication and Responses	HKEx ESG Reporting Guide (2015)
Investors	We have to create value for our investors	<ul style="list-style-type: none"> •The corporate governance system •Business strategies •Business performance •Stable returns •Investment returns •Regular and timely information disclosure 	<ul style="list-style-type: none"> •Shareholder meetings •Financial reports •Performance reports •Roadshows and reverse roadshows 	<ul style="list-style-type: none"> •Environment •Operation practices
Customers	Our products are the necessities for our customers	<ul style="list-style-type: none"> •Service quality •Service price •Customer information protection 	<ul style="list-style-type: none"> •Customer research •After-sales service and complaints •Customer satisfaction surveys •Customer activities 	<ul style="list-style-type: none"> •Environment •Operation practices
Employees	Employees are the most important cornerstone for corporation development	<ul style="list-style-type: none"> •Employee rights and benefits •Compensation system •Training and development •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 	<ul style="list-style-type: none"> •Employment and labor
Governments and Regulators	Government plays a supervision part in our business operation	<ul style="list-style-type: none"> •Complaint operation •Due tax payment •Support national strategy •Promote economic development 	<ul style="list-style-type: none"> •Institutional visits •Document correspondence •Policy implementation •Information disclosure 	<ul style="list-style-type: none"> •Environment •Operation practices •Employment and labor •Community
Partners	The partners need to share the same values with us on corporate social responsibility	<ul style="list-style-type: none"> •Business ethics and credit •Fair competition •Compliant operation •Mutually beneficial strategy alliances 	<ul style="list-style-type: none"> •Holding bidding conferences for the public •Strategic negotiations •Exchange visits 	<ul style="list-style-type: none"> •Operation practices
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 	<ul style="list-style-type: none"> •Environment
Community 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 	<ul style="list-style-type: none"> •Environment •Operation practices •Community

Identification and analysis of material issues

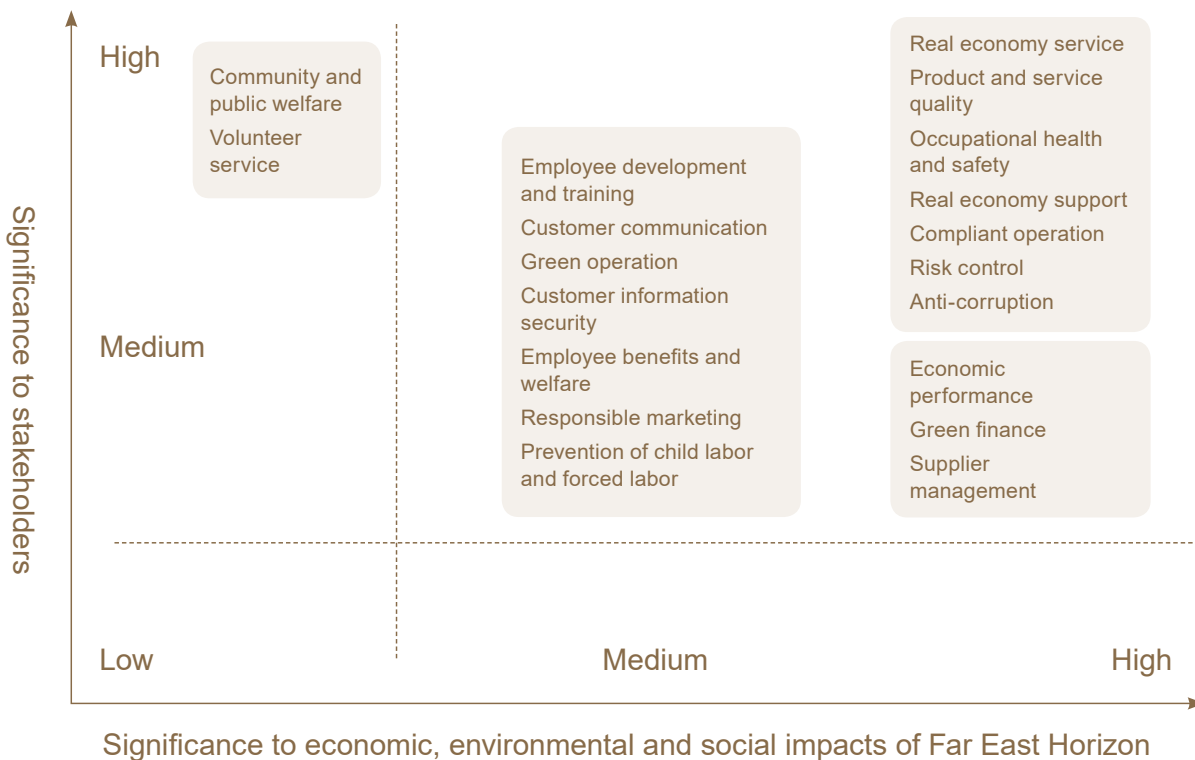
In 2018, based on the requirements of national and industry policies, HKEx ESG Reporting Guide (2015), How to Prepare an ESG Report (2018), and GRI Standards, as well as the overall consideration of the corporate strategy and concerns and expectations of stakeholders,

the Company followed the identification, assessment and screening procedures to define the CSR issues with high materiality for disclosure in the Report, and continuously improve the communication value of the Report.

Analysis Path of Material Issues



Matrix of Material Issues



3. Proper Governance for Long-term Success

Good governance level is the foundation of the sustainable development of Far East Horizon. The Company has been adhering to prudent and standard operation, continuously improving our operation, management and governance level, and steadily implementing risk and compliance management, in order to improve business performance, provide consistent ROI, and lay a sustainable foundation for our long-term sound operation.

3.1 Standardized and Orderly Corporate Governance

Adhere to high-level governance

Far East Horizon believes that excellent corporate governance is essential for the success and sustainable development of the Company. Over the years, the Company has been actively implementing the Hong Kong Companies Ordinance, Rules for Main Board Listing of HKEx and Hong Kong Securities and Futures Ordinance, keeping high-level governance, devoting itself to provide support and service for corporate governance by consistently improving the rules and regulations, in order to ensure the improvement of decision-making mechanism under the framework of listed company, increase transparency and thus safeguard the long-term interests of all shareholders and improve enterprise value.

The Board of Directors of Far East Horizon consists of 11 directors, including 2 executive directors, 5 non-executive

directors and 4 independent non-executive directors. All the directors provide extensive business experience, rich knowledge and high professional level for the efficient functioning of Board of Directors.

Meanwhile, the Board of Directors has set up Audit and Risk Management Committee, Remuneration & Nomination Committee and Strategy & Investment Committee according to the functions in written documents published on the websites of Far East Horizon and HKEx for reference of shareholders, which actively fulfill their respective roles in order to significantly safeguard the interests of the Company and the extensive minority shareholders. In 2018, the Company held 4 regular board meetings and 6 committee meetings.

Strengthen investor communication

While maintaining prudent operation and return to shareholders by assets appreciation, the Company actively gets close to the capital market, and keeps communications with investors via routine communications, participation in investor summit, reverse roadshow and industrial platform open day, etc.

In 2018, the Company continued to keep frequent routine communications with core institutions, which strengthened the investors' recognition for the Company. Moreover, the Company has continuously strengthened the maintenance of investor relations, and carried out communications with capital market in a more frequent and diverse manner, including investor communication activities as results communication meeting and investor reverse roadshows, which effectively improved communication effect and the Company's image in the capital market.



Annual Results Press Conference 2018

Far East Horizon Held a Reverse Roadshow with the Largest Scale and Most Investors Ever

In order to provide the capital market a comprehensive and accurate understanding of the progress of the healthcare industry, and improve the understanding and recognition of investors for our industry operation strategy, Far East Horizon successfully held a large-scale reverse roadshow themed hospital operation in February 2018.

During the roadshow, the investors and analysts were invited to Huizhou Huakang Hospital and Shenzhen Zhonghai Hospital for field survey. Through the visit to key departments of hospitals and acquisition of information about the cooperation history with Far East Horizon, specialties, operation and future planning of the hospitals, investors had a further understanding of the strategic direction, competitiveness and enablement advantages of Far East Horizon in the field of hospital investment.

After the field survey, the responsible leaders of Far East Horizon, as the representatives of the management team, held a 2-hour in-depth exchange meeting with investors, at which the leaders carefully answered various questions put forward by investors and carried out open and in-depth exchange regarding the development history, strategic planning and capitalization progress of the hospital group, significantly enhancing their confidence for the future development of the hospital group.



3.2 Risk and Compliance Management

Far East Horizon has established a compliance management system with the Board of Directors as the top decision-making body. The Audit & Risk Management Committee under the Board of Directors is responsible for the supervision of the risk management procedures of the Company, design of risk management system and policy, as well as review, approval and management of total risk management measures and procedures, the overall implementation and effectiveness.

The Company has successively published Measures for Capital Market Compliance Management, Measures for Related Party Transactions Management, Measures

for Information Disclosure Management, Guidelines for Disclosure of Notifiable Transactions and other rules according to Hong Kong Companies Ordinance, Rules for Main Board Listing of HKEx.

The Company earnestly studies and implements the Measures for Foreign Investment in Leasing Industry, Measures for Supervision and Administration of Financial Leasing Entities, Internal Audit Regulations and Internal Audit Standards of China, strictly complies with laws and regulations on anti-money laundering and anti-terrorist financing, and actively implements the work related to anti-money laundering.

3.3 Anti-corruption

According to the Criminal Law of the People's Republic of China and Internal Audit Regulations of the People's Republic of China, etc., Far East Horizon has published Regulations on Anti-fraud Work of Far East Horizon Limited and Employees Professional Ethics Code of Far East Horizon Limited, etc., which expressly require the employees to avoid fraud by complying with the code of conduct and code of ethics of Far East Horizon and national and industry regulations, in order to prevent various violations as bribery, extortion, fraud.

All the new employees are required to sign the Integrity Undertaking Statements to strengthen their integrity awareness. The Company set up email and 400- hotline for report, made them visible on the new employee training platform, official website and employee cards and set up a special incentive fund for audit trail, in order to facilitate the report of violations by employees and external customers, timely identify and prevent phenomena and behaviors

undermining the interests of the Company, and promote the sound and sustainable development of the Company. Moreover, the Company specified policies for whistleblower protection in the Regulations on Anti-fraud Work of Far East Horizon Limited to strictly prohibit any discrimination or revenge against the whistleblowers.

In 2018, Far East Horizon continuously deepened the financial supervision and expanded industry audit. The Company carried out various internal control audits in finance dimension, and inspection of branches and projects in industry dimension to timely identify and warn various risks and control vulnerabilities. Moreover, the Company implemented the accountability mechanism to carry out responsibility identification and punishment against personnel with material violations and malpractice, and carried out various internal and external integrity education activities themed professional integrity, compliance and dedication.

Internal and External Integrity Education Activities

Internal education

In the forms of role models, face-to-face communications, video publicity and WeChat streaming, the Company organized over 80 warning education activities, which covered a total of over 1,700 employees at various levels and posts.

External education

In the forms of lectures and visits, the Company organized multiple special education activities themed professional integrity, including special lectures on duty-related crime prevention given by external judges and visits to jails in Shanghai by over 100 managers of the Company for warning education.

Manager Integrity Education

In order to enhance management team integrity construction and improve the values and conducts of managers of the Company, Far East Horizon organized integrity education activities in batches for all the managers. In the forms of warning education, typical crime case sharing, Ten Iron Rules for Managers implementation measures, and rules studying workshop, the Company strengthened the awareness of crisis and self-discipline of managers, built an honest and efficient management team and reduced the operational risks.

Ten Rules for Far East Horizon Managers

- Values and principles. Uphold the virtue; set an example, take the lead.
- Integrity bottom line. Adhere to loyalty and fearlessness; act and think consistently with action matching words.
- Professional Ethics. Adhere to honesty and self-discipline; keep diligent and thrifty, and separate public interests from personal ones.
- Professional dedication. Committed to duties; willing to contribute, bear hardships and stand hard work.
- Working style. Work practically and cautiously; keep improving, and stick to simplicity and efficiency.
- Personnel selecting guidance. Adhere to meritocracy; justice and equity in all directions.
- Evaluation principle. Take contribution as the foundation; be skillful in planning and battle, and win each battle.
- Team atmosphere. Adhere to equality and fairness; promote mutual respect and care, and seek common grounds.
- Mind pattern. Defend the general interests first; be strict with self-discipline and daring to shoulder responsibilities.
- Personal morality. Adhere to good conducts; reflect on and rectify the hearts and minds with self-esteem and self-respect.

3.4 Supply Chain Management

In order to achieve standard supplier management and continuously optimize supplier resources, the Company drafted the Measures for Supplier Management of Far East Horizon Limited, which defined the management principles

of “separation of management and utilization, hierarchical classification, open and transparent and continual optimization” to guarantee the standard procurement.

Supplier Management Principles

Separation of management and utilization	Separation of utilization and management departments of suppliers for internal checks and balances
Hierarchical classification	Hierarchical classification of various suppliers to highlight management focus and guarantee efficiency
Open and transparent	Open recommendation, fair assessment, regular publication of supplier list, and establishment of supervision mechanism
Continual optimization	On-going assessment of suppliers in the list, and timely elimination of unqualified suppliers

During supplier selection, the Company pays attention to their fulfillment of business ethics and social responsibilities, so as to further mitigate supply chain risks and improve operational efficiency. 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. Except for a few exceptions, all the purchases must be made from suppliers in the list.

The Company set up the supplier management group. As the central supplier management function, the group established and continuously optimized supplier management system, developed the basic criteria for supplier entry assessment, continuously carried out supplier assessment, and made regular company-wide

announcement of the results.

During the purchase, the Company strictly complied with relevant laws, regulations and rules, carried out legitimate commercial intercourse and refused all bribery. The Company has set up the supplier complaint feedback mechanism, through which the employees can give feedback on the fraud, bidding collusion, commercial bribery of suppliers during the purchase procedures to the supplier management group. Moreover, the Company published the complaint and report channels on the site of some major projects of the Company and our subsidiaries, and signed purchase integrity agreements of the projects which set out report channels and prohibit illegitimate commercial intercourse and bribery.

4. Keeping Improving, Pursuing Outstanding

As a leading financial industry group, Far East Horizon provides customers with compound and integrated services, and gives full play to the characteristics and advantages of “focusing on industry”, continuously improves and enhances its product quality, and strives for excellence. At the same time, through the establishment of smooth customer communication channels, achieved benign interaction with customers, built trust and loyal customer relationships.

4.1 Economic Value Creation

In 2018, Far East Horizon relied on the Chinese real economy and adhered to the operational philosophy of “Finance + Industry”, which led to an overall healthy and steady growth in overall performance. In 2018, the Company realized a profit before tax of RMB6,492,567,000, representing growth of 35.62% as compared to the corresponding period of the previous year. The profit attributable to holders of ordinary shares of the Company during the period was RMB3,927,472,000, representing a growth of 21.63% as compared to the corresponding period of the previous year.

In order to adapt to the external environment, especially the constantly changing industrial form, in 2018, Far East

Horizon has re-divided the industrial layout, and its business mainly focused on seven industries, namely, healthcare, construction, education, public welfare and consuming, industry and machinery, transportation and logistics, urban public utility. Meanwhile, with the promulgation of national macro-control policies and the further promotion of the industrial operation of the Company, the Company’s overall incomes in the healthcare, education and construction industries realized YoY increases of 34.51%, 23.88% and 12.50% respectively compared with those in 2017. With the expansion of industries involved in urban public utilities, their income with a YoY increase of 106.72% compared with that in 2017.

In 2018, Far East Horizon’s finance and advisory segment (before tax and surcharge) realized an income of RMB 21.02675 billion, accounting for 82.32% of the total income (before taxes and surcharges), with a YoY increase of 34.50%. With the further progress of company’s industrial operation, the income from industrial operation with a YoY increase of 38.75%.

Economic Results Statistics 2016-2018

Work results	Unit	2016	2017	2018
Total income of primary business	RMB 100 million	139.28	187.82	253.79
Income increase	%	18.08	34.85	35.12
Total profit	RMB 100 million	40.72	47.87	64.92
Profit increase	%	13.76	17.55	35.62
Total assets	RMB 100 million	1,665.61	2,274.54	2,659.69
Total assets increase	%	19.56	36.56	16.93
Annual profits of common shareholders	RMB 100 million	28.82	32.29	39.27

Far East Horizon Retained a Post in Fortune China 500

In July 2018, the highly regarded 2018 Fortune China Top 500 list was released. Far East Horizon was re-elected as the 394th on the list. Compared with last year, the ranking has steadily been promoted by 30 rankings.

The Fortune China 500 covers all Chinese companies listed in China and abroad, and the data are based on the official disclosure information of listed companies on stock exchanges. The list takes into account the performance and achievements of Chinese listed companies around the world over the past year.

In addition, in the Fortune China 500 list, Far East Horizon maintains many “firsts”. Among all kinds of innovative financial enterprises, Far East Horizon ranked first in profit revenue; In the financial leasing as the main business of the enterprises, Far East Horizon ranked first in profit revenue.

财富 FORTUNE
远东宏信有限公司
Far East Horizon Limited
最新中国500强排名: >> 同行业比较 >> 查看榜单榜单
2018年 中国500强 第 394 名 (上一名排名: 424) 往年排名: 2018

Far East Horizon Retained a Post in Forbes Global 2000

In the 2018 "Global Listed Companies 2000" list released by Forbes magazine in the United States, Far East Horizon was successfully selected again, ranking the 1551th in the world, an increase of 66 compared with last year's ranking.

Forbes Global Listed Companies 2000 list, covering listed companies in 60 countries and regions, the list is regarded as one of the world's most authoritative and most concerned business enterprise rankings, the ranking is based on a composite score of operating income, profit, assets and market capitalization.

In the global 2000 list, Far East Horizon's total assets ranked 810th in the world, and its profit ranked 1476th in the world. At the same time, Far East Horizon was also selected for the Forbes Global Enterprise 2000 Growth Champion list, and ranked 211th in the list, meanwhile, Far East Horizon is the only domestic innovative financial company on the Forbes list.

Forbes The World's Largest Public Companies
#1,551 Far East Horizon
Market Cap As of June 2018
\$4.1 Billion
 Industry **Business & Personal Services**
 Founded **2008**
 Country **Hong Kong**
 CEO **Fan Xing Kong**
 Website **http://www.fe horizon.com**
 Employees **11,558**
 Sales **\$2.81 B**
 Headquarters **Hong Kong**

Far East Horizon Ltd. is a financial services provider. The company provides financial solutions through financial leasing and other value-added services. It provides integrated industrial services including finance, trading, consulting and investment in various sectors such as healthcare, printing, shipping, construction infrastructure, machinery, education, textile, information network and other sectors. The company operates through two segments: Leasing & Advisory and Trading & Others. The Leasing & Advisory business segment is comprised of direct finance leasing, sale-leaseback, factoring and advisory services. The Trade & Others business segment consists of import, export and domestic trade of medical equipment and parts, paper, ink, cardboard and paper goods primarily within the healthcare and printing industries, as well as the provision of trade agency services primarily within the machinery industry, ship brokerage services, medical engineering and operating leasing. Far East Horizon was founded on May 15, 2008 and is headquartered in Hong Kong.

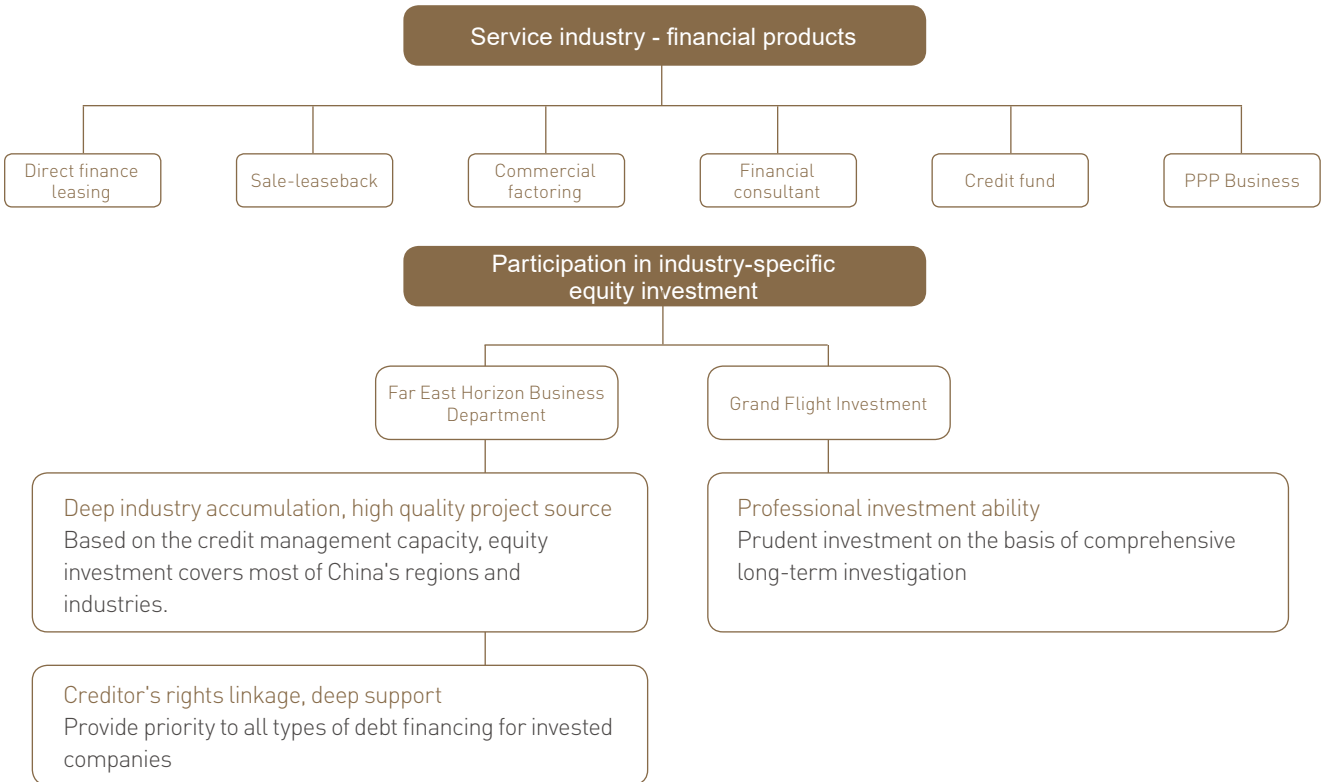
4.2 High Quality Products and Services

Diversified financial products and services

Based on its own capital strength, the Company used global resources to provide customized comprehensive financial solutions to customers, including direct finance

leasing, sale-leaseback, commercial factoring, financial consultant, credit fund, PPP Business and other financial services.

Major Financial Products and Services



Far East Horizon Healthcare : Improving the quality of healthcare services

In order to standardize the healthcare practice of the hospitals of the Group, ensure the quality and safety of healthcare services, and reduce medical risks, Far East Horizon Healthcare has established a management system, including the headquarters management system and subsidiary hospital management and operation system. Through subsidiary platforms, it has issued a number of systems to its hospitals, such as Patient Safety and Healthcare Quality Manual, Nursing Service Manual, Sense Control Manual and Pharmacy Manual, to promote normalization and standardization of healthcare activities such as diagnosis and treatment behavior and healthcare service process.

In the perspective of capacity construction of the medical personnel, Far East Horizon Healthcare also organized various kinds of medical service quality training in 2018,

including 2 quality management education training camps and 4 nursing management education training camps, providing quality management methods and tools for line personnel of medical institutions and improving the quality management capability of hospitals.

In addition, Far East Horizon Healthcare had also conducted a major medical safety inspection of the Group's hospitals. Centering on the core medical system and taking the red line as the bottom line principle, the Company has alerted the existing problems in the hospitals and issued rectification opinions to implement follow-up assignments and handling.

In 2018, Far East Horizon Healthcare did not have any legal general, large, major or especially major medical safety accidents.

Far East Horizon Healthcare 6S management

In 2018, Far East Horizon Healthcare 6S management promotion continued to help the hospital to practice basic quality skills through "SEIRI, SEITON, SEISO, SEIKETSU, SHITSUKE and SAFETY" and other aspects. The Company continued to make improvements in procedures, standardization and conciseness of operations, thus to improve the comprehensive strength of the hospitals.

Far East Horizon Healthcare was committed to integrating 6S management into the daily work of the hospitals and forming a standard consciousness. In 2018, in the 6S competition segment of Far East Horizon Healthcare quality annual meeting 2018, 10 holding hospitals demonstrated their embodiment of 6S lean management in realizing normalization in the hospitals from various aspects such as activity objectives, activity team construction, specific practices and activity results.



QCC-Quality Control Circle Competition

Far East Horizon Healthcare takes the QCC as an important tool for quality management. The Company effectively helps grass-roots employees to find problems, analyze problems and solve problems. The Company helps hospitals form a bottom-up management culture with all staff participating and changed passive acceptance into active participation. The Company continuously improves the service quality of hospitals, ensures the safety of medical quality and the hospital medical quality management will reach a new level.

In 2018, hospitals continued to push forward the construction of QCC. 15 QCC participating teams closely drew up and implemented strategies on the core issues in the hospitals, such as "improving the correct implementation rate of surgical safety verification" and "reducing the rate of irregular disposal of emergency critical values" and other topics, and carried out QCC activities purposefully in a planned and effective manner.



Far East Horizon Construction: Ensuring quality of construction and equipment

In line with the principle of sustainable development and improvement, Far East Horizon Construction has established a strict quality control system and strengthened product quality control. Horizon Construction Development, subsidiary of Far East Horizon Construction, has formulated the ISO9001: 2015 Quality Management System Manual of Shanghai Horizon Construction Development Co., Ltd. in accordance with the requirements of ISO9001: 2015 Standard and the actual situation of the Company, and has made clear regulations on quality management and related systems. Horizon Construction Development has established a product recall system, filling out the Non-conformance Report and the Corrective

and Preventive Measures List for problematic products to timely recall problematic products. In 2018, Horizon Construction Development had no product recall.

Horizon Construction Development continuously improves the product quality control in the production process. In 2018, Horizon Construction Development Formwork Division added management requirements for their self-inspection in the production process, required independent inspection by operators on products they process and/or install to form the initial inspection and third inspection system for production and strictly controlled the product quality in the production process.

Quality Inspection System of Horizon Construction Development

Initial inspection system		Under the conditions of every day production, changing models and specifications, the first work piece produced must be inspected according to the drawings.
Third inspection system	Self-inspection	Independent inspection of processed and/or assembled products by the operator.
	Mutual inspection	Inspection of the process quality completed in the process by the next process.
	Special inspection	Inspection by full-time inspectors

Horizon Construction Development trains its employees for quality regularly. The Company carries out quality management related training for new employees to help them establish a correct quality awareness. In view of the problems in the product standards and specific operations of the workshop staff and inspectors, Formwork Division of the Horizon Construction Development conducts regular quality standard training on the workshop site and makes quality defect display stands, so that the workshop staff and inspectors can more accurately understand the inspection standards with the help of the physical comparison standards and further improve their accuracy of self-inspection, mutual inspection and special inspection.



Quality Management Manager and Inspector Training

Far East Horizon Construction encourages product innovation in order to continuously improve and upgrade the Company's level in research and development, design, technology and other aspects, and timely applies for intellectual property rights for new technologies and products. Horizon Construction Development has

formulated *Measures for the Administration of Intellectual Property Rights* to strengthen the management of the Company's intellectual property protection and safeguard the Company's intellectual property rights. By the end of 2018, 102 patents had been granted, including 11 invention patents and 7 registered software copyrights.

Far East Horizon Education: Providing high-quality educational resources

Good educational resources are the guarantee for the stable operation of educational institutions. Far East Horizon Education and the subsidiary schools, kindergartens and schools strictly abide by relevant laws and regulations and operate legally and in compliance. At the same time, it makes full use of the resources of the

education group to enrich the education resources in terms of hardware equipment, teacher team building, curriculum setting and other aspects, ensuring the teaching quality and providing high-quality education services for students and their parents.

Enriching Educational Resources and Providing Quality Services

As the first flagship school of Far East Horizon in Shanghai, Shanghai Hongwen School gathers top teaching management and teaching staff in Shanghai to provide first-class educational services for students by creating first-class campus environment and teaching standards.

<p>Hardware equipment</p>	<ul style="list-style-type: none"> • The school equipped with sunken music square, roller skating square, rock climbing gym and small outdoor theater, the Company provides more possibilities for students' after school entertainment. • The school equipped with Shanghai's first air-film swimming pool. Students are guaranteed to be able to swim in a constant temperature and clean environment all year round.
<p>Teacher team building</p>	<ul style="list-style-type: none"> • The innovative consciousness and ability of the teacher team is emphasized. • Reasonable teacher-student ratio (1:8 in primary school, 1:6 in junior high school) ensures the quality of teaching. • Foreign teachers account for 40% of the total staff and teachers with an international education background reaches to 70%.
<p>Curriculum provisions</p>	<ul style="list-style-type: none"> • There are bilingual courses in sports, mathematics, music, fine arts and other basic subjects to meet the needs of international talent training. • The school innovates the curriculum design and puts forward the interdisciplinary course design scheme with great humanism, great view of science and comprehensive artistic style. • The school leads students participating in the "Belt and Road" Cultural Festival, hiking courses, science and technology festival, club activities, etc.
<p>Flexible after-school system</p>	<ul style="list-style-type: none"> • A flexible school system is implemented to provide students with professional care such as dinner and evening self-study, thus eliminating the need for parents to take care of their children. • Additional attention is paid to resident students, whom are taken good care of by life teachers and psychological teachers, the physical and psychological health of children are taken care of.



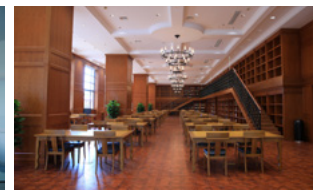
Air Film Swimming Pool



The "Belt and Road" Initiative Cultural Festival



Science Classroom



Student Library




4.3 Customer Service Level Improvement

One-stop customer service

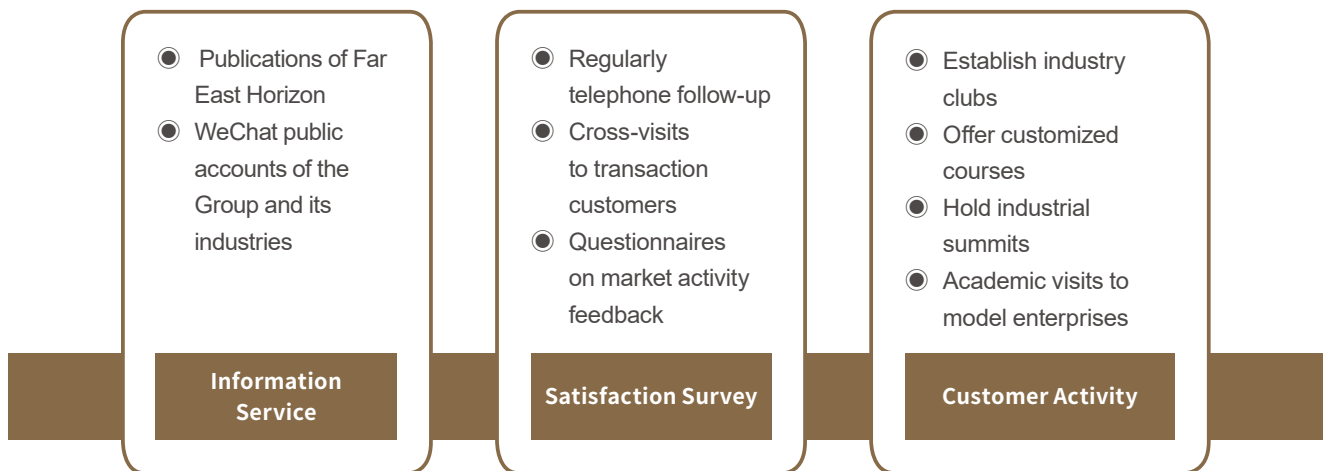
Far East Horizon continuously achieves innovative breakthroughs and provides high-quality, diversified and one-stop professional services to professionally meet customer needs and create more value for them. The Company mainly build customer relation management

system via 3 major channels: information service, satisfaction survey and customer activity, in order to listen to the voice of customers and understand their requirements.

Customer Service Commitment

	<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 laws or rules.</p>

Customer Service System



Customer information protection

Far East Horizon attaches great importance to protecting customer information and establishing long-term trustworthy business relationship with customers. The Company constantly improves its information security

management system, stipulates and strictly follows the Confidential Information Management Regulations. Operation Center, HR department, Audit and Group Office are to work together to manage information confidentiality.

These departments should make clear responsibility confirmation of information leaking and corresponding punishment, and the knowledge scope and authority of confidential information by the employees. Moreover, these departments need to make sure that employees sign the Post Confidentiality Commitment Letter, and that department managers sign the Confidentiality Responsibility Commitment Letter, which strengthens

employees' awareness of keeping information confidential to safeguard the security of customer information. In addition, the Company uses its Customer Marketing Management(CMM) to divide all customers into different layers and categories, and strictly implements access authority management to protect customer information. In 2018, no disclosure of accidents on customer privacy occurred.

Far East Horizon Healthcare: constructing a harmonious doctor-patient relationship

Adhering to the management concept of continuously improving the quality of medical services, Far East Horizon Healthcare attaches great importance to the communication between doctors and patients and is committed to building a harmonious doctor-patient relationship.

communication channels, it determines to solve key issues that patients care. In 2018, according to the requirements of the Group, 23 hospitals of Far East Horizon Healthcare conducted a comprehensive patient satisfaction survey from five dimensions of medical treatment environment, waiting time, service attitude, diagnosis and treatment behavior and loyalty. Through quantitative description and hierarchical analysis, targeted improvement of medical quality was made to promote better development of a doctor-patient relationship.

Far East Horizon Healthcare adheres to the four principles of "equal respect, patient participation, legal system and prevention advocacy". Through patient satisfaction survey, follow-up of discharged patients and other doctor-patient

Promoting Harmonious Doctor-patient Relationships

<p>Equality and Respect Principle</p>	<ul style="list-style-type: none"> Doctors and patients are equal subjects and they should respect each other, with a joint aim of treating diseases and maintaining health of the patient.
<p>Patient Participation Principle</p>	<ul style="list-style-type: none"> Respect patient's right to be informed of the illness and the right of choosing the treatment plans, fully communicate with them and inform them, let patients know about their disease conditions, treatment plans and possible costs, and allow patients participate in medical decision-making.
<p>Legal Principle</p>	<ul style="list-style-type: none"> Carry out medical acts within the framework prescribed by laws and regulations and practice in accordance with the law. In case of disputes between doctors and patients, the facts shall be taken as the basis and the law as the criterion. If the hospital is at fault, it shall take the initiative to assume the responsibility. When patients infringe the legal rights and interests of medical personnel or hospitals, the legal rights and interests of medical personnel would be protected by the law.
<p>Prevention Advocacy Principle</p>	<ul style="list-style-type: none"> Actively promote healthcare knowledge, through organizing free clinics, lectures, and using billboards, posters, etc. Actively use a variety of channels, a variety of styles of health education classes to provide healthcare guidance, promote healthy lifestyles and reduce occurrence of diseases. For diseases that have occurred, doctors should strive to find and treat them as early as possible.

Far East Horizon Healthcare attaches great importance to opinions and suggestions from customers, regulatory authorities, partners, etc., and continuously improves the quality of medical services by establishing multi-level complaint channels and handling mechanisms. Far East Horizon Healthcare and its subsidiary group hospitals publish customer service hotlines and dean's mailboxes through publicity columns, official accounts,

hospital websites and other channels to unblock complaint channels. At the same time, the *Customer Return Visit Management Rules of Far East Horizon Healthcare* was released and customer return visits were carried out from time to time. In 2018, Far East Horizon Healthcare paid return visits to 803 customers, with a completion rate of 125%. The number of paid-in statements was 112, and the completion progress was 120%.

Far East Horizon Construction: building high quality customer service systems

Far East Horizon Construction pays attention to customer communication management. Horizon Construction Development conducts customer satisfaction surveys through daily telephone return visits to continuously improve the customer service level. In 2018, it completed 15,152 phone calls, with 92.9% of customers' favorable comments. For unsatisfactory customer responses, the customer service specialists pay return visits and follow up the case until forming a closed loop. In 2018, the handling rate of customer complaints was 100%.

In order to standardize the process and standards for handling abnormal customer feedback, Horizon Construction Development formulated the Detailed Rules for the Management of Customer Abnormal Feedback in Industrial Equipment Division of Shanghai Horizon Construction Development Corporation. It defines the classification and timeliness requirements of customer abnormal feedback, and specifies the process for handling customer abnormal feedback to ensure timely and effective handling of customer abnormal feedback.

Horizon Construction Online Customer Complaint Management System

In 2018, relying on the Company's information management platform ERP system, Horizon Construction Development established a dedicated customer complaint suggestion management system. By the online system, customers can directly carry out online complaint feedback. In case, customers are dissatisfied or do not accept the complaint handling, the customer complaint will be returned to the handler for re-verification, effectively improving the handling efficiency of customer complaint, ensuring the full and proper resolution of customer complaint incidents to further improve customer satisfaction.

In 2018, Horizon Construction Development handled 27 complaints through the system, with a complaint resolution rate of 100% and a customer satisfaction rate of 37% after complaint handling.

For high-end and high-quality customers, Far East Horizon Construction also holds a construction summit forum every year to discuss the development of its industry. By 2018, 12 sessions of the Far East Horizon Construction Summit

Forum were successfully held and the summit has become an important platform for communication and cooperation between Far East Horizon Construction and high-end customers.

The 12th Far East Horizon Construction Summit Forum was Successfully Held

Facing the strategic goal of returning to the industry and the strong promotion of investment business, Far East Horizon Construction gradually shaped a new business model. Customers are eager to learn about new industry trends, new products and models of Far East Horizon Construction that meet the needs of the industry. In 2018, Far East Horizon Construction launched the 12th Far East Horizon Construction Summit Forum. Three forums were held in Qingdao, Guangzhou and Kunming respectively, attracting nearly 250 customers from 140 cooperative central enterprises and local state-owned enterprises nationwide, further strengthened the communication between Far East Horizon Construction and customers.



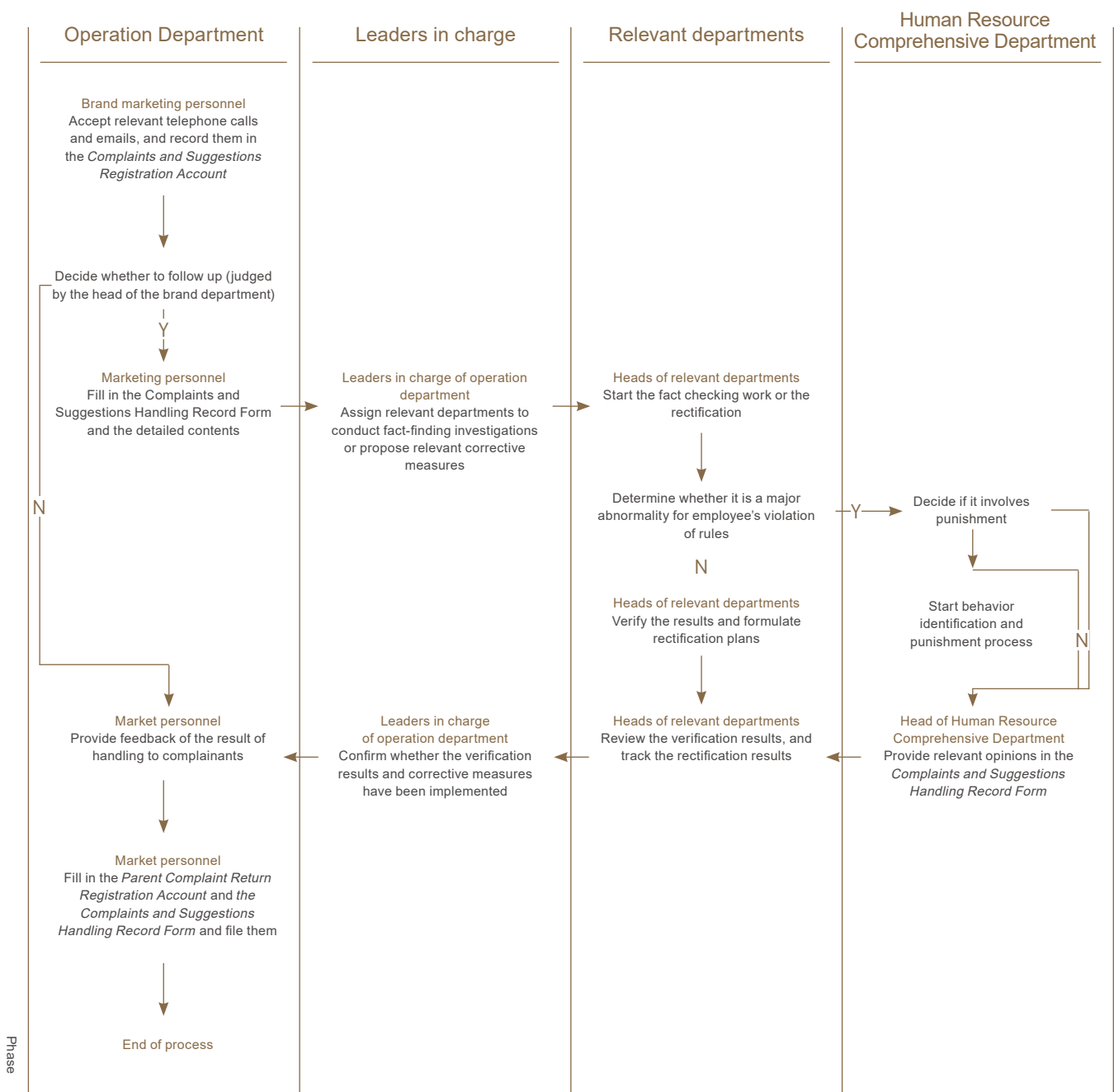
Far East Horizon Education: building communication channels between parents and schools

Far East Horizon Education attaches great importance to customer communication. By establishing diversified communication channels, it can strengthen customer communication and improve customer satisfaction. Far East Horizon Education subsidiary kindergartens receive complaints and advice from parents of students through

various complaint channels such as the official website of Mengshi School, 400 hotlines and official emails. On this basis, Far East Horizon Education has also established a sound complaint handling procedure to ensure timely and effective responses to complaints and inquiries from parents of students.

Flow Chart for Handling Complaints of Far East Horizon Education

Complaints and suggestions handling process



Far East Horizon Education has also actively carried out various kinds of school-parents communication activities to enable parents to get a close contact with Far East Horizon Education service and experience it, which continuously improved customer satisfaction.

Shanghai Hongwen School Campus Open Day Activity was Held

In April 2019, Hongwen School held two campus open day activities. The activity attracted nearly 900 groups of kindergarten-to-primary schools families and primary -to-middle schools families from all over the country to the Chuansha campus of Hongwen school. The families listened to the introduction by the principal, Ms. Ren Guofang on the school philosophy, school features and curriculum design of Hongwen school, and experienced the school curriculum design and style of Hongwen school.

The Open Day activity enables parents and students to understand the real Hongwen School from different perspectives, promotes communication between the school, parents and students, and helps them make better judgments and choices.



5. Environment and Safety Orientation

Environment and safety are indispensable pillars of the sustainability of an enterprise. Far East Horizon strives to mitigate the impact of our operation on environment, carries out central management of environment and safety work of industry segments, and takes advantage of green finance to promote the development of green industry, in order to achieve responsible operation.

5.1 Implement Proper Environment and Safety Management

As a responsible corporate citizen, Far East Horizon has been giving priority to work safety and environmental protection as the foundation of our survival and development. According to the work safety policy of “safety first, prevention first and comprehensive governance”, the Company steadily promotes work safety, actively implements the guiding thought of Integrated Reform Plan for Promoting Ecological Progress, practices the concept of green development, continuously facilitates the energy saving and discharge reduction work, and supports the ecological civilization construction.

According to the Work Safety Law of the People's Republic of China, Environmental Protection Law of the People's Republic of China, Administrative Regulations on the Work Safety of Construction Projects and local laws and regulations, Far East Horizon has published HSE Management Manual of Far East Horizon Limited, Measures for Management of Environmental Protection of Far East Horizon Limited, etc., and established HSE management system based on our own risk characteristics, in order to promote the overall HSE management level of the Company.

Implement total risk management and control industry operation risk

In recent years, as safety accidents in education and healthcare industries took place frequently, the governments and regulators have intensified their efforts in the supervision of food safety and medical safety. As a financial group covering multiple industries as healthcare, education and construction, Far East Horizon has been taking the risk control as the priority of industry operation, systematically internalizes the group's risk management capability, scientific management methods and goal of excellence of fine routine management in all the industry platforms, and implements central management, in order to control various risks, optimize resources allocation, and improve efficiency of resource organization.

Based on the requirements of Quality Improvement Year in 2018 and taking advantage of the opportunity of annual overall risk identification and assessment, the Company further strengthened the total risk management of industry direction, and carried out rational allocation of management resources, in order to guarantee the control of major and material risks. The Company set up Risk Management Committee as the high authority of risk management, and HSE department of Business Operation Center oversees the total risk management of industry direction. Moreover, the Company established a quarterly risk management report mechanism for HSE risks as fire and construction safety, and established an effective control mechanism

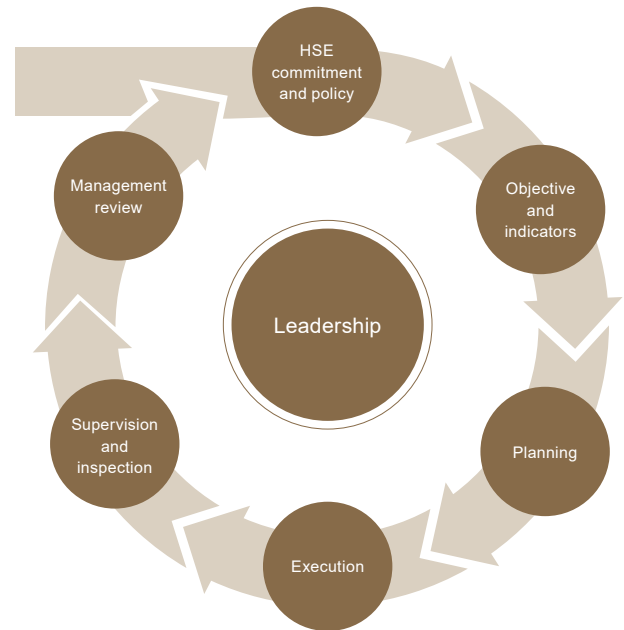
for major and material risks, in order to guarantee smooth promotion of industry safety work.

In 2018, based on the requirements of total risk control, the Company carried out structure adjustment of the Company and certain industry segments, continuously explored innovative resource organization model and improved efficiency of operation. At the group headquarters, the Company set up the Property, Logistics and Project Management Standardization Promotion Group to advance the systematization and standardization of property management capability, logistics service capability and project management capability; at the construction segment, the Company carried out strategic integration of the construction industry business to establish Shanghai Horizon Construction Development Co., Ltd., in order to accelerate the development of one-stop comprehensive equipment operation service capability; at the education segment, the Company carried out structure adjustment of Education Group industry operation headquarters to further implement the development strategy of transformation from large-scale education to elite education; at the healthcare segment, the Company fully implemented the healthcare operation model with the core of “one set of system and one network for one hospital”, in order to promote the construction of discipline divisions and build a standard and intensive operation network.

Integrated HSE management model

Based on ISO45001 standards (Occupational Health and Safety Management System) and ISO14001 standards (Environment Management System), industry best practices at home and abroad and our own operation situation, Far East Horizon established an integrated HSE management system to continuously improve our own HSE management practice.

HSE Management Model of Far East Horizon



HSE Management Model of Far East Horizon

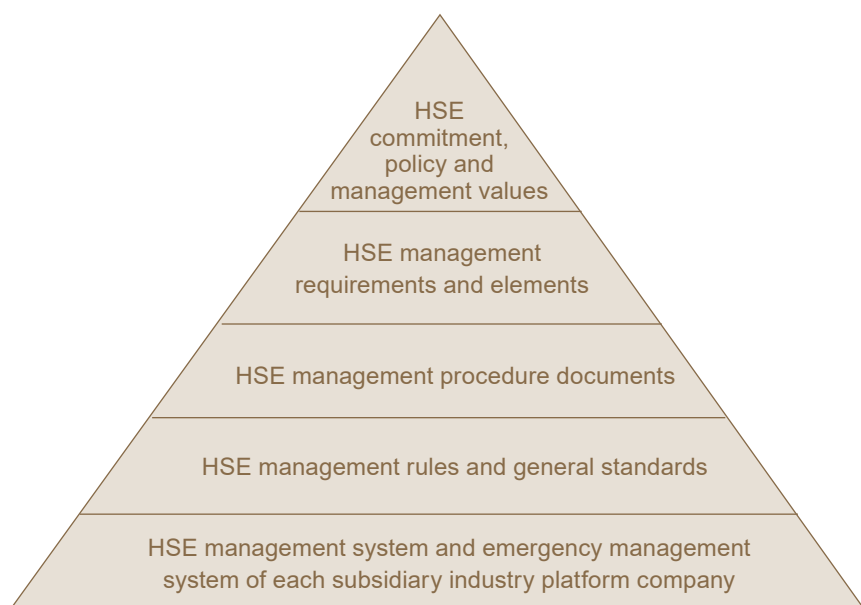
HSE commitment and policy	<ul style="list-style-type: none"> Develop the HSE management guidelines of “dual responsibilities of one post, total involvement, risk management and accident prevention”, and make six commitments as “comply with national and local applicable HSE laws and regulations and other requirements”
Objective and indicators	<ul style="list-style-type: none"> The Business Operation Center sets the HSE objective and indicators at the beginning of each year, and HSE Committee reviews, approves and assigns them to each responsible departments, and assesses and monitors the performance
Planning	<ul style="list-style-type: none"> According to applicable laws and regulations, HSE Committee carries out comprehensive and systematic identification and assessment of HSE risks in the routine operation, and defines targeted HSE objective, indicators and risk control measures
Execution	<ul style="list-style-type: none"> HSE Committee plans and coordinates the responsibilities of each department HSE, reviews the major HSE decisions of the Company, organizes systematic employee capability assessment and HSE trainings, strengthens the HSE personnel capability construction, develops specific management measures for offices and workshops, identifies potential HSE emergencies, and establishes emergency response procedures to improve emergency capacity
Supervision and inspection	<ul style="list-style-type: none"> HSE Committee carries out routine HSE measurement and monitoring, causes responsible departments to develop and implement corrective and preventive actions for non-compliance items identified during HSE management system operation, strengthens the management of HSE accidents and incidents, and carries out report and investigation of accidents and incidents in a timely, accurate and standard manner
Management review	<ul style="list-style-type: none"> Management review is carried out at the end of each year, after the completion of HSE internal review or upon the occurrence of major management changes and HSE accidents, and the review results serve as an important basis of the development of HSE objective, indicators and HSE continuous improvement plan of the next year, in order to guarantee the adequacy, applicability and effectiveness of HSE management system

Sound HSE management framework

According to the guidelines of “dual responsibilities of one post, total involvement, risk management and accident prevention”, the Company set up the HSE Committee. As the high decision-making body, HSE Committee plans and coordinates the responsibilities of each department HSE, reviews the major HSE decisions of the Company, and continuously follow up the control measures for the high risks, in order to effectively guarantee the standard HSE management of the Company.

Far East Horizon pays attention to the HSE management of subsidiary industry operation headquarters and industry platforms, and each division establishes their respective HSE management system and emergency management system based on HSE management requirements and elements including HSE Management Manual of Far East Horizon Limited and their respective situation, in order to form HSE control covering entire business chain and guarantee the industry operation management.

HSE Management Framework of Far East Horizon



5.2 Occupational Health and Safety (OHS)

OHS management

Far East Horizon strictly complies with the Work Safety Law of the People's Republic of China and other laws and regulations regarding occupational health and safety, takes the control of major risks as the core, establishes group-wide occupational health and safety control system with well-defined responsibilities and hierarchies, and creates a healthy and safe work environment.

In order to strengthen the control of company-level major risks, the Company carries out comprehensive identification of occupational health and safety risks, further coordinates the internal professional resources, and takes targeted control measures, in order to guarantee the proper control of major risks of the Company.

Sector	Major occupational health and safety risks
Industry sector	Far East Horizon Healthcare: fire risk in assembly occupancies and occupational disease risk of medical workers
	Far East Horizon Construction: Project construction accident risk
	Far East Horizon Education: Kindergarten fire risk, school bus accident risk, security risk, food safety risk and infectious disease risk

Adhering to the policy of “putting prevention first and combining prevention with fire fighting”, the Company drafted the Measures for Management of Fire Safety of Far East Horizon Limited, which require each industry group and division to assign full-time or part-time fire safety officers for professional management of fire safety, carry out regular comprehensive inspection of fire-fighting equipment and facilities in buildings, organize education trainings on fire safety, and actively fulfill fire safety responsibility.

For potential safety accidents, the Company drafted Measures for Management of HSE Accidents and Incidents, Measures for Management of HSE Accident

Accountability and other rules, and set up an emergency management group, in order to minimize the loss of normal production and operation and negative impact of the safety accidents.

Meanwhile, in order to promote the enterprise safety culture construction and enhance the employees’ safety responsibility awareness, the Company holds regular “Ankang Cup” Work Safety Knowledge Contest, Work Safety Month, Fire Safety Month and other various safety management activities, aiming to guarantee a consistent and stable safety situation. In 2018, the Company reported no major work safety accident, with controlled overall risk situation.

Create a Healthy and Safe Work Environment

Property health and safety management

Based on the Far East Horizon Plaza project, the Company has drafted property business standards and a total of 52 standard operating procedures in four modules as security, cleaning, emergency response and operation and maintenance of equipment and facilities. Currently, all the projects are under stable progress, without any safety accident.

Fire safety management

Adhering to the policy of “putting prevention first and combining prevention with fire fighting”, the Company carries out fire safety management work of Far East Horizon Plaza in strict accordance with fire laws and regulations and industry standards.

Specifically, the property security personnel carry out daily patrol inspection of the Plaza at established frequency, and nearly 700 cameras provide real-time surveillance; the Company strengthens the fire safety management of key areas and locations as kitchen, cafeteria, and data rooms, cleans the flue of the kitchen twice a year, detects the building fire system once a year, organizes total fire evacuation drills twice a year, and guarantees the fire safety of the building through total involvement and continuous efforts.

Food safety management

The Company carries out strict comprehensive management throughout the cycle from food license, procurement, storage, processing, sampling till environmental hygiene inspection. In 2018, the Company reported no food safety accident. Moreover, after the supervision and inspection, the cafeteria of Far East Horizon Plaza was rated “excellent” (the highest level) by Shanghai Pudong New Area Administration for Market Regulation.

Employee health guarantee

Based on the potential safety incidents during employees’ daily work, the Company invites professional fitness instructors to deliver on-site first aid trainings on cardio-pulmonary resuscitation (CPR), fracture first aid, hypoglycemia diagnosis and treatment, and teach them basic skills in emergency determination and treatment, trauma first aid, and usage of automated external defibrillator (AED), so that the employees can immediately take correct and effective measures in case of any emergency, improve their capability in self-aid and mutual aid and guarantee their life safety.



Far East Horizon Plaza Fire Drill



Regular Inspection of Fire Equipment



Cafeteria Safety Management



Employee First Aid Training

Work Safety Month of Far East Horizon

According to the requirements of Notice on Organizing National Work Safety Month and Work Safety Tour 2018, during Work Safety Month in 2018, the Company organized a special activity regarding establishment of fire safety responsibility system, safety propaganda and training drill themed “Life First and Safe Development” on the Far East Horizon Plaza.

Through the establishment of fire safety area responsibility system and signing of safety responsibility agreement, total fire evacuation drill, fire safety officer training on fire fighting and first aid (including CPR and usage of AED) and skill contest, and safety propaganda, the Company further strengthened the fire safety awareness of employees group-wide, established and improved fire safety responsibility system, and guaranteed the fulfillment of fire safety responsibility.



Far East Horizon Healthcare: Medical workers and facilities safety guarantee

According to the requirements of Notice of the State Council on Further Enhancing Work Safety and Guiding Opinions of the National Health and Family Planning Commission on Enhancing Work Safety of Health and Family Planning System, Horizon Healthcare published the Guidelines for Work Safety Standardization of Medical Institutions of Healthcare Group Industry Operation (Trial) to continuously promote the standard and orderly implementation of work safety at each subsidiary medical institution.

According to the requirements of Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and Interim Provisions on Supervision and Management of Workplace Occupational Health, Far East Horizon Healthcare offers occupational health examination covering all the employees exposed to occupational health hazards (e.g. employees of radiology departments of subsidiary hospitals), and establishes personal occupational health files to timely and accurately

gain information about the implementation of prevention of occupational hazards.

For potential fire safety hazards, Far East Horizon Healthcare published the Guidelines for Fire Safety Management of Medical Institutions of Healthcare Group Industry Operation (Trial), which define the corresponding fire safety management requirements and measures, in order to improve the fire safety level and mitigate fire hazards of subsidiary medical institutions.

Moreover, Far East Horizon Healthcare pays attention to the training, publicity and implementation of safety concept. Through the organization of HSE trainings for leaders of subsidiaries, Work Safety Month, Fire Safety Month and safety knowledge contest, Far East Horizon Healthcare further promoted the safety management of healthcare group. In 2018, Far East Horizon Healthcare reported no notifiable minor, severe, major and critical work safety accidents.



The First HSE Training Session for Hospital Logistics and General Services

New Binhai Renci Hospital, subsidiary of Far East Horizon Healthcare, won the award of “Fire Safety Management Advanced Unit 2018” by Binhai County Fire Brigade



Far East Horizon Construction: Work safety implementation

Far East Horizon Construction set up the HSE Committee in 2016, drafted HSE management system as HSE Committee Work Rules and HSE High-risk Business Management Rules, took industry direction management requirements into account, formed HSE control of whole business chain, and coordinated the safety management of Far East Horizon Construction.

According to Measures for Management of Construction Project HSE of Far East Horizon Limited, etc., during the industry construction, Far East Horizon Construction enhances safety inspection and communications at the construction sites, regulates the safety behaviour of employees, and creates a good work safety atmosphere; for occupational hazard prevention, Far East Horizon Construction pays attention to the completeness of equipment and facilities, continuously improves working conditions, and puts occupational health protection equipment in place; for employees with potential exposure

to occupational hazards, Far East Horizon Construction organizes occupational health examination before, during and after work, in order to prevent occupational diseases essentially.

Moreover, Far East Horizon Construction continuously promotes the safety management reward mechanism, sets up an independent special reward fund, and urged its subsidiaries to grant safety rewards to front-line employees. In 2018, Far East Horizon Construction granted over 20 rewards to over 40 employees, which basically covered each level on the industry execution side, fully demonstrating the advanced safety management concept and improving the safety management enthusiasm and awareness of front-line employees.

In 2018, Far East Horizon Construction reported a total of 51 minor injury and near-miss accidents, down by 30% YoY and without any major injury and above accidents.

Far East Horizon Construction Development Enhanced Safety Management

In 2018, Far East Horizon Construction completed the strategic integration of Horizon Equipment and Hongjin Equipment, and established Horizon Construction Development as the carrier to implement construction equipment operation of Far East Horizon.

Horizon Construction Development adheres to systematic operation and continuously improves its HSE management system. In 2018, based on 16 management elements, 18 management measures and 37 work instructions, it highlighted the construction of shift safety capability, HSE leadership and work standardization, and created a good atmosphere where leaders at all levels pay attention to safety and have safety knowledge and front-line employees practice the concept of work safety.

Adhering to the safety management concept with risk management at the core, Horizon Construction Development continuously carries out potential risks identification for front-line employees, vigorously publicizes safety management knowledge, provides safety skills training, and regulates the safety behaviors of employees through Work Safety Month, new employee training and HSE education and training articles. In 2018, it delivered safety trainings to 5,123 new employees and pushed a total of 90 HSE education and training articles.



Shift Safety Commitment and Swear



Crane Injury Accident Emergency Drill



Employee Safety Education



Unannounced Inspection by Leaders

Far East Horizon Education: School safety construction

Far East Horizon Education pays great attention to the health and safety of employees and children/students in subsidiary kindergartens and schools, and actively creates a safe and comfortable environment. Specifically, it set up HSE Committee, and published Measures for Management of Education Group Industry Operation Headquarters HSE in 2018, in order to fully implement HSE three-level inspection and supervision mechanism and guarantee school safety.

For HSE risk control, Far East Horizon Education identifies fire safety, food safety and security risks, and regularly organizes fire emergency drills, food safety inspection of kindergartens/schools and violent intrusion prevention trainings. For potential school safety incidents, Far East Horizon Education drafted Measures for Management of HSE Emergency Response and Measures for Management of HSE Accidents and Incidents to classify and escalate HSE incidents based on severity, thus guaranteeing the timeliness and effectiveness of accident handling.

Shanghai Hongwen School Cafeteria Won the Highest Rating of Food Safety Supervision and Inspection

The health of students is the bottom line of education. Far East Horizon Education systematically extended the fine routine management requirements to the logistics system to form food material standards, food safety standards, safety inspection standards and supervision and control standards far higher than those of external suppliers.

On October 23, 2018, the cafeteria and kitchen of Shanghai Hongwen School received the unannounced comprehensive inspection of Supervision Department of Pudong New Area Education Bureau and Pudong New Area Chuanshaxin Township Food and Drug Supervision Branch, and won the highest rating (Excellent) with its advanced equipment, orderly management and legible labels.

Food Safety Management Measures of Shanghai Hongwen School

Safe and reliable food material source	<ul style="list-style-type: none"> Engage large-scale suppliers to supply food materials for the cafeteria, which meet high standards and strict requirements
Comprehensive and rigorous management system	<ul style="list-style-type: none"> Safety management system covers cafeteria, kitchen, procurement, storage, food quality and environmental hygiene
Multiple supervision and comprehensive control	<ul style="list-style-type: none"> Comprehensive control: source, operation and follow-up control Multiple supervision: school, shareholders, government and parents
Support from professional team and group management	<ul style="list-style-type: none"> Engage elites from star hotels or major catering groups for the operation and management of cafeteria The Group implements a vertical management system to guarantee proper execution and rigorous and efficient operation control



5.3 Green Operation

Green office

As an innovative financial service organization, the consumption of resources and energy and management of wastes constitute an essential part of the environmental impact of Far East Horizon. The Company advocates for low-carbon and eco-friendly operation model and work style, actively promotes the energy saving and environmental protection system, and fulfills our environmental responsibility.

In February 2018, Far East Horizon Plaza, the new office building of Far East Horizon Limited, was officially put into use. Through selection of full inverter air-conditioning system, utilization of renewable energy sources as solar energy, promotion of green travel and telephone & video conferencing, the Company practiced the low-carbon concept throughout building design, construction and office to minimize our carbon footprint of operation.



USGBC LEED Gold Certificate



Shanghai Green Building Contribution Award



Certificate of Green Building Design Label (Two-Star)

Green Office Measures

Aspect	Measures
Low carbon and energy saving	<ul style="list-style-type: none"> Select full inverter air-conditioning system, saving up to 30% of electricity compared with fixed frequency air-conditioning system – saving 1,518.84 MWh Set up solar water heating system to fully use renewable energy, saving 246.40 MWh per year Use an energy-saving lighting system, which can save about 141.21 MWh per year by 5% energy saving Draft electricity management system, regularly inspect supply lines and appliances, and carry out timely maintenance to reduce electricity loss Publish green office initiative for employees, and draft Office Management Rules, which require employees to shut down computers and power switches after work
Water saving	<ul style="list-style-type: none"> Encourage employees to save water, give priority to purchase of water-saving equipment, and carry out timely maintenance upon identification of leakage The rainwater collected from the roof and ground of the building is used for flushing roads and watering the greening after precipitation and filtration. The total amount of rainwater collected and utilized is about 9,000 tons
Paper and paper cup saving	<ul style="list-style-type: none"> Establish OA system to distribute in-house digital notices and plans Publish the Green Office Initiative to encourage double-sided printing, thus saving paper Encourage employees to use their own cups and minimize the use of disposable paper cups
Management of solid waste and effluent	<ul style="list-style-type: none"> Property service department carries out central collection and removal of domestic waste, and engage qualified agency for the disposal of electronic waste Effluent collected in underground garage is treated by sand sedimentation and then discharged into sewage system Oily effluent from kitchen is treated by oil separation tank and then discharged into municipal pipe

Feature Story of Far East Horizon as a Waste Classification Model Company by Pudong New Area TV Station

In February 2018, the General Office of Shanghai Municipal People’s Government published the Implementation Plan for Establishing and Improving a Domestic Waste Life Cycle Classification System, which requires the city to launch the system by the end of 2020. Far East Horizon actively responded to the Plan by taking the lead in implementing fine waste classification, and promoted the orderly implementation of the waste classification throughout classification, recycling and internal publicity and implementation.

As a pilot of waste classification in Pudong New Area, the waste classification actions of Far East Horizon received the joint interview of Expo Detachment of Shanghai Urban Administration Bureau and Pudong New Area TV Station. In the form of a feature story, Pudong New Area TV Station shared the best practice of Far East Horizon in fine waste management, such as introduction of advanced equipment, well-defined management rules, enhanced publicity and solid and effective process supervision.



In 2018, Far East Horizon Plaza collected 4,500 bins of dry waste (78.75 tons) and over 1,100 bins of wet waste (8 tons).

Classification	<ul style="list-style-type: none"> Classify wastes into dry waste, wet waste, recyclable waste and hazardous waste
Recycling	<ul style="list-style-type: none"> Engage qualified agency for waste removal and recycling
Promoting	<ul style="list-style-type: none"> Set up posters in public space for employee education Employees established a Management Assistance Committee to guide employees in kitchen waste classification, thus increasing waste disposal rate

Far East Horizon Healthcare: Green healthcare

Far East Horizon Healthcare complies with Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, Regulations on Management of Medical Waste and other applicable laws and regulations, and continuously improves its energy utilization and waste management of the healthcare industry through development and transformation of energy-saving technology.

In 2018, the subsidiary hospitals of Far East Horizon Healthcare continuously made investment in environmental protection. Specifically, Shenzhen Cihai Hospital invested about RMB 80,000 in environmental protection aspect of the ward expansion project, and Putuo Guanghua Hospital invested about RMB 350,000 in environmental protection aspect of the main project and auxiliary project.

Energy Saving and Discharge Reduction Measures of Far East Horizon Healthcare

Main aspect		Measures
Resource saving		<ul style="list-style-type: none"> Subsidiary hospitals of the group vigorously promote the 6S contest (i.e. SEIRI, SEITON, SEISO, SEIKETSU, SHITSUKE and SAFETY), and replace water-saving taps and LED lamps on a regular basis
Discharge management	Domestic waste	<ul style="list-style-type: none"> The domestic waste of the hospitals are collected by environmental sanitation agency and delivered to municipal waste treatment station Engage qualified agency for central disposal of kitchen waste and waste oil in the separation tank
	Medical waste	<ul style="list-style-type: none"> Subsidiary hospitals of the group carry out strict management of hazardous wastes by assigning professional personnel and dedicated storage location, containers and packages Engage qualified agency for the compliant classified disposal of infectious waste, injury waste and other medical wastes
	Medical effluent	<ul style="list-style-type: none"> Subsidiary hospitals of the group carry out strict operation of sewage treatment facility, and assign professional personnel to guarantee compliant discharge Encourage subsidiary hospitals to deploy online sewage monitoring system to improve technical monitoring level

Far East Horizon Construction: Green construction

Far East Horizon Construction actively fulfills its environmental responsibility, and continuously takes measures in energy saving and discharge reduction, in order to mitigate the environmental impact of its production and office activities. In 2018, Far East Horizon Construction invested a total of RMB 1.01 million in environmental

protection, which is mainly used for the purchase of dedicated recycling bins for hazardous wastes, as well as environmental acceptance, monitoring, sewage treatment and solid waste disposal of the new plant of Horizon Construction Development.

Energy Saving and Discharge Reduction Measures of Far East Horizon Construction

Main aspect		Measures
Resource saving	Water saving	<ul style="list-style-type: none"> Place water-saving labels in office space to remind employees of water saving Adopt water-saving toilets to save 10-ton water per year Promote rainwater collection and recycling system at subsidiary industry entities, and carry out recycled water storage for water recycling Maximize the rainwater recovery unit for the cleaning process, and assign dedicated personnel for main water consumption points to guarantee timely shutoff
	Energy saving	<ul style="list-style-type: none"> Adopt GSHP for office heating and intelligent control of lamps The manufacturing workshop actively abandons equipment and facilities with high energy consumption and pollution

Energy Saving and Discharge Reduction Measures of Far East Horizon Construction

Main aspect		Measures
Discharge management	General waste	<ul style="list-style-type: none"> Non-hazardous wastes as paper and kitchen waste are centrally collected by municipal department for classified disposal according to relevant Shanghai standards Forbid or minimize the use of plastic package materials, and encourage the minimal use of disposable tableware
	Hazardous waste	<ul style="list-style-type: none"> Hazardous wastes as spent oil buckets, paint buckets and batteries are centrally collected and disposed of by qualified agency
	Effluent	<ul style="list-style-type: none"> Control pollution source and guarantee compliant discharge of sewage after separation

Horizon Construction Development Promoted Energy Saving and Discharge Reduction

Horizon Construction Development, subsidiary of Far East Horizon Construction, has drafted Environmental Management Measures, Environmental Protection Management Guidelines and other rules to guide the environmental protection management of all the working units. Meanwhile, based on the concept of 6S management, it carries out irregular 6S management inspection to continuously promote the environmental protection of all the working units.

For operating equipment leasing enterprises, Horizon Construction Development considers the energy efficiency as one of the criteria for equipment selection, selects branded equipment with low emission to effectively save energy, timely shuts down or eliminates production line with low profitability and high pollution, control pollution source, continuously upgrades quality management system, and adopts advanced production concept and new-generation environmental protection equipment to guarantee the overall green development.

Far East Horizon Education: Green school

Far East Horizon Education advocates for green operation concept by incorporating environmental protection into educational theory and practice. While creating a green learning environment for students, it focuses on green school construction by deploying fresh air and air cleaning system to mitigate the impact of haze on the students. In

2018, Shanghai Hongwen School, subsidiary of Far East Horizon Education, invested a total of RMB 360,000 in air quality test, air quality management and air monitoring system; Montessori Academy Xuhui Kindergarten and Xiushan Kindergarten invested RMB 260,000 in air quality test and management.

Energy Saving and Discharge Reduction Measures of Far East Horizon Education

Main aspect		Measures
Resource saving	Water saving	<ul style="list-style-type: none"> Adopt municipal water as the main source, purchase energy-saving and water-saving devices, and encourage teachers and students to save water
	Energy saving	<ul style="list-style-type: none"> Regularly inspect supply lines and appliances, timely shut down idle office equipment, and power off appliances in unoccupied space to reduce power loss
Discharge management	General waste	<ul style="list-style-type: none"> Non-hazardous wastes as paper and domestic waste are centrally collected by municipal department for classified disposal according to relevant Shanghai standards Engage qualified agency for disposal of kitchen waste of schools and kindergartens
	Hazardous waste	<ul style="list-style-type: none"> Engage qualified agency for recycling and disposal of hazardous wastes as toner and ink cartridges

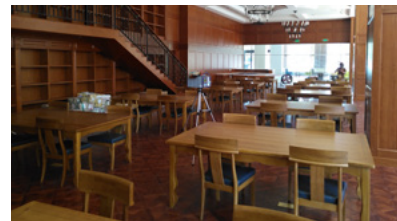
Strengthen Indoor Air Management for a Green School

Shanghai Hongwen School, subsidiary of Far East Horizon Education, vigorously implements the concept of green process throughout construction and operation, and takes measures of “source control, external supervision, hardware deployment and operation guarantee” to guarantee good air quality throughout the school.

Source control	<ul style="list-style-type: none"> Adopt technical means as hot steam injection and diatom micro-nano ionic spray to remove decoration pollutants as formaldehyde and benzene
External supervision	<ul style="list-style-type: none"> Engage third-party professional authoritative agency to carry out air quality acceptance, and guarantee indoor air quality meet indoor environmental pollution concentration limit standards of Class I civil buildings
Hardware deployment	<ul style="list-style-type: none"> Adopt a fresh air system to continuously clean indoor air
Operation guarantee	<ul style="list-style-type: none"> Adopt natural ventilation, mechanical ventilation and evacuating equipment to remove indoor residual hazardous waste gas Increase professional air test devices for 7*24 monitoring of air pollution risk points inside and outside the school



Classroom Air Quality Test



Library Air Quality Test

5.4 Green Finance

Support the development of environmental protection industry

Green finance is both an important foundation for construction of ecological civilization and an essential component of supply-side structural reform. Far East Horizon gives full play to our professional advantages to vigorously support development of energy saving and environmental protection industry and promote the practice of green finance.

In 2015, the Company established an industry credit line system based on environmental performance. According to the system, we classified construction machinery, smelting & mining machinery, oil equipment, ferrous metal smelting and chemical engineering with high environmental risks

into Class II industry with limited credit line, and classified railway, rail transit and energy saving and environmental protection equipment into Class I industry with extended credit line.

Based on the credit line system, the Company updated and issued Measures for Management of Credit Line for Municipal Utilities in 2018, which define specific credit policies for public transportation, heating, gas, water and solid waste treatment entities and encourage the acquisition of quality municipal utilities and eco-friendly customers.

Support the Development of Green Industry

According to the orientation of national green development policy, Far East Horizon vigorously promotes the financial support and services for green industry, and makes explorations for green finance development model in multiple environmental fields as solid waste treatment, sewage treatment, garbage power generation and environmental sanitation and cleaning.

In 2018, the Company intensified our support for green industry including environmental protection and environmental sanitation. We researched 20 cities and enterprises, and granted RMB 200 million for 15 projects of 8 customers. Moreover, we paid attention to environmental protection and pollution control during our financial operations, in order to promote the sustainability of the community.

Co-build green cities

To follow the industry development trends, Far East Horizon respectively launched long-term special support package programs to address the upgrade and green development requirements of urban transportation, urban environmental protection and urban energy, which covered the full industry chain of transportation, environmental protection and energy and met the comprehensive requirements of customers, including Green Public Transportation Special Support Program, Environmental Protection Special Support Program and Green Energy Special Support Program.

The above three special support programs contain a series of innovative financial services, industry supporting

services and related value-added services in the fields of urban transportation, urban environmental protection and urban energy, aiming to increase urban public transport carrying capacity, improve the public transport conditions, reduce urban pollution and energy consumption, drive the urban environmental protection enterprises to improve environmental protection management level, improve urban energy supply efficiency, reduce atmospheric pollution level and energy consumption, and promote the sound and sustainable development of urban public transport, environmental protection and energy industries in China, in order to achieve win-win enterprise benefits and social benefits.

Special support programs	Results in 2018	Main applications
Green Public Transportation Special Support Program	Invested RMB 670 million in 7 projects of 4 customers	Mainly used for the promotion of new energy buses in the public transport enterprises
Environmental Protection Special Support Program	Invested RMB 2.43 billion in 21 projects of 12 customers	Mainly used for solid waste treatment, garbage treatment and sewage treatment, etc
Green Energy Special Support Program	Invested RMB 1.96 billion in 20 projects of 14 customers	Mainly used for clean heating and gas application

Shanghai Hongzuo New Energy Technology Co., Ltd. ("Hongzuo New Energy"), subsidiary of Far East Horizon, is engaged in new energy industry investment and operation with photovoltaic power generation at the core. It supports

the development of professional photovoltaic power projects to drive the continuous development of urban clean energy and realize the sustainability of the Company and environment.

3.66MW Distributed Photovoltaic Power Generation Project of Dongtai CNG Electronic Glass Co., Ltd.

Hongzuo New Energy undertook the 3.66MW distributed photovoltaic power generation project (electricity self-sufficiency and surplus distributed to state grid) on the 71,794 m² plant roof of Dongtai CNG Electronic Glass Co., Ltd., which was successfully put into operation and connected to the grid at full capacity on June 30, 2018. The project will supply about 4.2 million kWh clean electricity for Dongtai CNG Electronic Glass Co., Ltd. each year, reduced CO₂ emission of 4,187 tons (equivalent to annual saving of 1,380-ton standard coal, dust of 114.2 tons, SO₂ of 12.6 tons and NO_x of 6.3 tons each year).



6. Promoting the Talented with Equal Opportunities, Helping Employees Achievements

Employees are the valuable assets of the Company and the source of strength of its development. Far East Horizon strictly implements the recruitment and employment policies, endeavors to create an equal career development platform, builds a scientific and efficient training system, and provides employees with a diverse, tolerant, open, equal, dynamic working environment and a broad stage to realize their career dreams.

6.1 Safeguarding Employees' Interests

Recruitment and employment

The Company strictly complies with laws and regulations such as Labor Law, Labor Contract Law and Shanghai Labor Contract Regulations, and has issued employment-related regulations such as Recruitment Management Regulations and Labor Contract Management Regulations in order to establish a harmonious labor relations with its employees. In 2018, the Company revised Attendance Management Regulations to further optimize employee attendance and holiday management regulations to protect employees' legal interests.

The Company attaches great importance to the value

dedication of each employee and adheres to the talent concept of "four regardlesses": Regardless of experience, the age of employees, the length of service, the academic qualifications, promoting the talented with equal opportunities and taking virtue the first standard. The Company has standardized employment practices and respects employees' privacy as well as their diversified cultures brought by ethnicity, race, gender, and religious beliefs. In 2018, there were no reported cases of child labor and forced labor. In the past three years, the Company has not experienced major layoffs.

Safeguard Employee Interests

Employment and termination	<ul style="list-style-type: none"> • Employment: Adhering to the principles of "hierarchical management and resources sharing", including clear criteria, open procedures, standard operation, selecting the best-performing candidate and legal compliance • Child labor: Verifying employee status and eliminating child labor • Termination: The Company and employee negotiate to terminate the employment contract according to the Labor Contract Management Regulations
Remuneration and welfare	<ul style="list-style-type: none"> • Implementing remuneration and welfare system and incentive program have no regional and gender difference • Providing social security benefits (including pension plans, medical insurance, work injury insurance, unemployment insurance and maternity insurance) and housing provident fund • Providing supplementary commercial medical insurance, property insurance and safety insurance • Issuing the Administrative Measures for External Qualification Certification for Professional Positions to provide financial support for working employees to obtain professional certificates. The Company pays 50% of tuition fees for employees in key positions to study for MBA and other degrees in well-known universities recognized by the Company.
Attendance and leave	<ul style="list-style-type: none"> • Working hours: Sticking to 40 standard weekly working hours; flexible working hours system are adjusted for special employees • Leave: Implementing national system on paid annual leave, marriage leave, funeral leave, maternity leave and sick leave, etc. • Forced labor: Regularly checking employees' overtime and labor intensity, prohibiting forced labor

Employee incentive

The Company establishes an effective employee incentive program to link the employee remuneration to the overall performance of employees and to employees' contribution to the Company (rather than business performance), and has established a performance-based incentive program based on performance to promote employees based on their position, length of service and professional category.

In order to promote the Company to establish the medium and long-term incentive and constraint mechanism, fully mobilize the enthusiasm of managers, attract and retain outstanding management talents, the Company established an equity incentive plan and a restricted share award plan in 2014 to effectively combine the interests of shareholders, the interests of the Company and the personal interests of managers to ensure the long-term steady development of the Company.

Democratic participation

The Company calls on employees to take part in management and unleash ownership, sets up multiple channels as CEO mailbox and rationalization proposal platform, etc. to safeguard the employees' rights to know, to make suggestions, participation and supervision.

The Company has established a special employee complaint channel to ensure employees' complaint rights, and a special person is responsible for accepting complaint requests and conducting independent investigations on the facts and responsibilities.

The Company also signed Collective Contract of International Far Eastern Leasing Co., Ltd. and Special Contract for Protection of Female Employees Special Interests of International Far Eastern Leasing Co., Ltd. to maintain employees' legal interests.

Meanwhile, the Company established a whistleblower protection mechanism to keep the entire process of complaint acceptance and investigation confidential, and to protect the legal interests of employees to the greatest extent.

6.2 Attaching Great Importance to Employee Development

Employee promotion system

Far East Horizon is people-oriented and encourages employees to give full play to their advantages and interests based on the Company's development requirements in order to realize individual values. The Company has established a scientific and reasonable promotion system for employees to meet the development requirements of

professional talents and management talents. Professional posts include financial leasing, risk management, investment, strategic management, etc., the combination of horizontal development and vertical promotion can rise and fall, provide employees with career development diversity and enhance the flexibility of the career channel.

Employee vocational training

Far East Horizon fully practices the cultural concept of "this is a school" (unifying ideas, imparting knowledge, learning from each other, and inspiring creativity) to provide a platform for employees to enhance their ability, to display their talents and to stimulate their potential. Based on the needs of business expansion and deep service of customer business, in 2018, the Company continued to rely on the Far East Academy on the theme of "rooting in industry, sticking to why you started", and focused on the

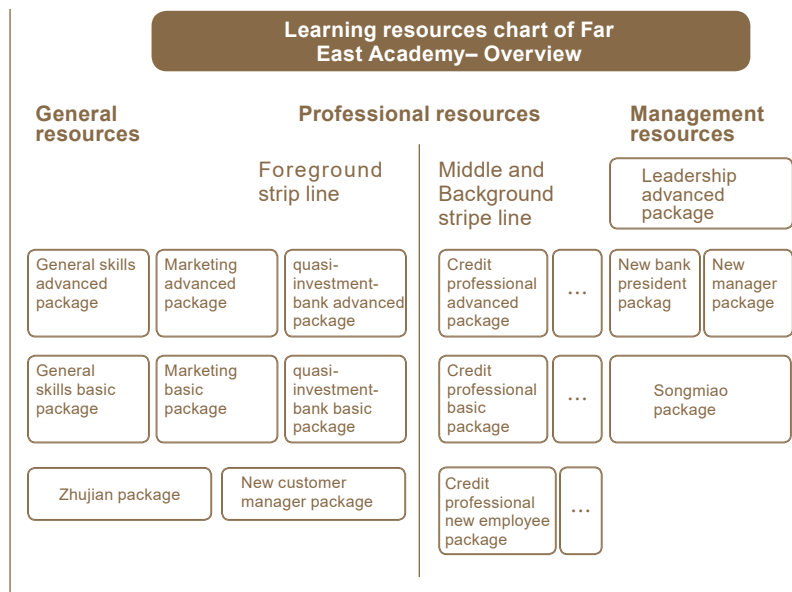
deep-rooted program covering all employees, especially the former middle-class employees. At the same time, it carried out internal and external cross-border learning activities for the managers of Qingsong to improve the management concept and capacity of the managers. In the industrial training, the medical E-learning platform of the Far East Academy covering the medical health group was established to support the career development of employees.

Far East Academy E-learning Platform Upgrading

Far East Academy E-learning platform was set up in 2015. It has established a layered and classified training system supporting the development of managers and employees at all levels and posts, and it served the implementation of the strategy of Finance + Industry in terms of talent development. Far East Horizon Healthcare, Far East Horizon Education and Far East Horizon Construction have established characteristic training systems and key programs respectively based on industry segments and development stages.

In 2018, the E-learning platform of Far East Academy was further upgraded. The updated content mainly included the live broadcast function embedding platform and the new courseware form of PPT+Audio, which optimized the learning experience of young employees born after 1990s. In addition, the Company has strengthened the Far East Healthcare e-Academy in the direction of the hospital industry to improve the pass rate of doctors' qualification.

In 2018, Far East Academy E-learning platform independently developed 320 courses in the direction of finance and purchased 60 online courses. 39,129 online courses were completed. The online learning duration of employees reached 14,954 hours.



Far East Horizon Training Project

Deep-rooted program	<ul style="list-style-type: none"> Renew the professional and marketing courses of each research office, cover the Company's target employees through face-to-face, remote synchronization and micro-courses, and provide rich product and service expertise and skills for deep-rooted industrial clients. In 2018, the training courses for deep-rooted program covered more than 1,000 employees.
Qingsong program	<ul style="list-style-type: none"> Strengthen bank president training, visit Qingdao Haier & Far East Academy industry, and promote managers' cross-border learning.
Xuesong and Qingsong training project	<ul style="list-style-type: none"> Promote the development of courses for mid-level and junior managers to accumulate management knowledge and wisdom. Delivered 14 lectures in 2018, trained more than 600 employees.
Far East Academy visual branding construction project	<ul style="list-style-type: none"> Launched two promotional videos Far East Academy Animated Film and One Day for Customer Managers to enhance the perception of young employees.

For managers at all levels, the Company has carried out a series of management training projects, including a series of leadership enhancement courses for mid-level and junior managers, special training project for new junior managers,

Fan Deng Reading Club for mid-level and junior managers, etc. to help them further enhance their own management and leadership skills through training, study, exchange and share their achievements of management.

Qingsong Plan Help Improve Leadership

Qingsong plan aims to enhance management knowledge and leadership of middle and first-line managers. In 2018, Qingsong plan promoted managers' cross-border learning broadening their scope of mind help them jump out the present boundary taking initiative innovation and embrace changes through the internal cross-border of Far East industry- visiting Qingdao business store of Horizon Equipment and subsidiary school of Far East Horizon education (Qingdao) -and the external cross-border - Haier cross-border learning project.

In the Haier cross-border learning project, 35 business unit leaders and backstage office managers deeply studied Haier's "Ren Dan He Yi" innovation model and its landing mechanism, and explored how to effectively organize innovation in Far East through workshop methods to drive business development.



Visiting Subsidiary School of Far East Horizon Education (Qingdao)



Haier Cross-border Learning Project

6.3 Enhancing Employee Care

Employee care

Far East Horizon focuses on providing healthy, stable and harmonious working environment for employees, adheres to the corporate culture of "one family" (teamwork, mutual encouragement, mutual help and happy family) and enhance employees' sense of well-being and belonging through female employee care, Feeding Bottle Support Program, Housing Program, Employee Care Program and so on.

The Company focuses on the demands and development of female employees, continuously provides comfortable nursing rooms with complete equipment ready on hand. In 2018, the Company launched activities on March 8 Women's Day, providing desserts and flowers to female

employees on the Day, organizing guidance on transition from kindergarten to primary school lectures to help female employees better balance their families and work.

The Company customized health fund, regularly organizes employees health examination, and holds various female employees lectures, parent-child lectures, health lectures and other physical and mental lectures to fully meet their health requirements. In order to alleviate various economic pressures of employees, the Company established Feeding Bottle Assistance program, Housing Program and Employee Assistance Program, adding a peaceful and security mind for the happiness of every Far East person through the power of organization.

Non- salary Benefits for Employee

Healthy gas station program	<ul style="list-style-type: none"> • Customized health fund; • Organize regular employee health examination; • Carry out various physical and psychological lectures on women staffs, parent-child, health, etc.
Feeding Bottle Support Program	<ul style="list-style-type: none"> • Offer interest-free loan to fresh graduates joining Far East Horizon to alleviate their financial pressure due to house rent and settle employee's worries back at home.
Housing Program	<ul style="list-style-type: none"> • In order to alleviate the economic pressure of employees and help them purchase a house as early as possible, the Company provides financial support to eligible employees.
Employee Care Program	<ul style="list-style-type: none"> • Offer significant aid to employees in urgent need.
Spring Festival bonus for parents	<ul style="list-style-type: none"> • Every Spring Festival, Far East Horizon gives employees' parents bonus at Spring Festival to express their gratitude for their full support of their children's work.
Sports facilities	<ul style="list-style-type: none"> • Conducting various cultural and sports activities • Providing gym and other sports facilities

Employee Healthcare Series Activities

Ergonomic Health Lecture

On June 19, 2018, in order to effectively improve the ergonomic conditions at work, Far East Horizon organized “Health begins with the care of the cervical and lumbar vertebrae: ergonomics health lecture”, helping employees reduce health problems caused by bad postures and work habits.



Free Clinic of Occupational Disease Prevention and Treatment Activities

On September 17, 2018, the Far East labor union unite with Medical Health Group Jinhua Rehabilitation Hospital organized the “Occupational Diseases-Neck and Shoulder Pain Prevention and Treatment Activities” to help employees understand common office syndromes and share professional prevention tips.



Love Your Teeth Day Online Knowledge Competition

On September 20, 2018, Far East Horizon's medical health group and Company labor union organized the Love Your Teeth Day knowledge competition to enhance the importance and knowledge of employees' daily mouth care through online competition.



Corporate culture activities

Far East Horizon upholds the cultural philosophy of “one school, one army, one family” and aims to create a harmonious and ongoing atmosphere for employees, family members and enterprises.

In 2018, Far East Horizon devoted to improving employees' sense of accomplishment in their work and created an efficient, energetic and happy Far East through the three-year celebration of employees, the three consecutive

championships ceremony, excellent staff commendation conference, and cultural and sports activities. Meanwhile, Far East Horizon pays great attention to the employees' sense of belonging and the harmonious relationship with the family. Through Family Day activities and parent-child series activities, the employees' families enter the Far East and deepen their understanding and recognition of the Company's philosophy and culture.

First Family Day event of Far East Horizon

On August 12, 2018, "My Far East, My Home" Far East Horizon's first Family Day officially was opened in Far East Horizon Plaza. The Company had set up four exhibition areas, the Far East History Area, Industrial Interaction Area, Traditional Culture Area and Family Interactive Area. Dozens of games and activities were welcome among children. Through the opening of the corporate exhibition hall, the 20 years' development history of Far East was presented in an all-round ways, which makes visitors linger and stop.

The holding of the first Family Day reflects Far East Horizon's recognition and affirmation to employees' contribution of long-term hard work, expressing the heartfelt gratitude and care for the employees and their families, and promoting the harmonious development of the Company and employees.



Family Day Opening Ceremony



Exhibition Hall



Parent-child Education Activities



Family Portrait

Three Year Celebration of Employees & the Three Consecutive Championships Ceremony

Since the first “Three Years Celebration” event in the Far East in 2005, any employee who had worked in Far East Horizon for three years will receive a gift.

In 2018, the inheritor of Three Years Celebration of employee sighs the flag and the three consecutive championships ceremony was held in Far East Horizon Plaza. The Company's leaders, middle managers of various departments, and more than 60 Far East people who had been in the Company for three years attended the ceremony. The activity not only strengthened the Company's corporate culture, but also promoted two-way communication and exchange between the Company and its employees, the Company and its employees' families and enhanced corporate cohesion and motivated employees' sense of pride.



Ribbons for "Treble Winners"



"Employee for three years" Sigh the Flag



The Scene of "three consecutive champions"



Group Photo of "The third anniversary of the Company"

Far East Horizon Staff Cultural and Sports Activities

Far East Horizon advocates the balance of work and life of its employees. It has established basketball associations, running associations, Qijing Parent-Child Club, badminton associations, football associations and other societies. It also invites coaches to organize daily training to stimulate the vitality of employees and providing a good communication platform to promote harmonious cross-sectoral relations.



Far East Horizon 12th Badminton "Super Cup"



The 11th Far East Horizon Super Football League



Far East Horizon 6th Basketball League



Run and Read Club participate the 2018 Shanghai Half Marathon

Parent-child Series Activities

In 2018, Far East Horizon held a series of parent-child activities such as walking, photography, picture book reading lectures, "family cup" badminton tournament, Mid-Autumn Festival, football carnival and so on. These activities not only enhanced parent-child communication and accompanied child living a happy and healthy life, but were also a better interpretation of family concept of "three ones" culture.



Spring Hiking and Photography Activities



Mid-Autumn Parent-child Activities



Family Football Carnival



Invite Children's Photography Experts, Exchange Photography Skills and Drink Tea

7. Making Yourself and Helping Others with Boundless Love

While creating economic value, Far East Horizon pays attention to the development of surrounding communities and actively practices public welfare responsibilities. Relying on the platform of Horizon Charity Foundation, the Company carries out diversified public welfare activities in the three fields of education, medical care and poverty alleviation, joining the national poverty alleviation campaign and improving the local people’s well-being.

7.1 Promoting Charity Continuously

Far East Horizon invested and established Beijing Horizon Charity Foundation and Shanghai Horizon Charity Foundation respectively in 2014 and 2015. For the purpose of Boosting the healthy, stable, sustainable and harmonious development of society, it had carried out public service programs in poverty alleviation, medical assistance and scholarships. At the same time, Far East Horizon Education and Far East Horizon Healthcare focused on the needs of people’s livelihood, actively participate in education, public

welfare programs related medical with the help of industrial advantages.

After its foundation, Horizon Charity Foundation, has successively carried out public service programs in 26 provinces, autonomous regions and 48 cities across the country, with more than 16 million yuan of donations and nearly 30,000 beneficiaries.

List of Far East Horizon Public Welfare Programs in 2018

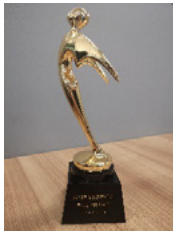
Charity through Education	Medical Assistance	Poverty-stricken Alleviation
<ul style="list-style-type: none"> • Charity Children’s Painting Exhibition and Auction in Montessori Academy • Volunteer Activities on Distribution of Free Lunch • Visiting Elderly in Community during Double Ninth festival • Supported Teaching Activities • Moving Library • Scholarship Program in Foundation 	<ul style="list-style-type: none"> • Free Community Clinic, Free medicine, Donation • Care Ward • Doctor Training-Pediatric Urology Public Welfare Program • Targeted Poverty Alleviation by Medical Treatment Program 	<ul style="list-style-type: none"> • Poverty Alleviation Program in Chengguan town, Henan province • Supporting Disabled Families and Outstanding Volunteer Program • Courtesy Book Store • Caring for Poverty-stricken Students in Zhaiwa Primary School and Langli Primary School • Donating Learning Equipment for Donglan county, Hechi city, Guangxi province.

Horizon Charity Foundation:

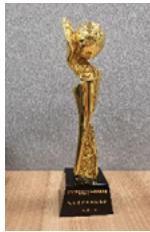
Being Selected onto the 2018 List of Most Transparent Foundations in China
 Won 8th China Annual Public Welfare Practice Award of Public Welfare Festival in 2018
 Won the 2018 Outstanding Brand Award of Social Responsibility Conference
 Won the 2018 Excellent Intelligent Assist Group Award of the Disabled Annual of the Shanghai Disabled Association

Subsidiary School of Far East Horizon Education (Chengdu)

Won the 2018 “Medal of Social Responsibility” Award of “Urban Power” Sichuan province



Annual Public Welfare Practice Award of Public Welfare Festival



Outstanding Brand Award of Social Responsibility Conference



Excellent Intelligent Assist Group Award of the Disabled Annual of the Shanghai Disabled Association



“Medal of Social Responsibility” Award

7.2 Promoting Charity through Education

In the field of education, Far East Horizon actively integrates the charity education into the whole process of students’ growth. The Charity Foundation supports outstanding students regularly to help them to complete their studies through scholarship programs. In the industry sector, the subsidiary school of Far East Horizon Education

cultivates students’ public service spirit and sense of social responsibility through various educational public welfare programs such as children’s painting exhibition and auction, volunteer teaching activities and community volunteer services.

Horizon Scholarship Program

Horizon Charity Foundation has maintained cooperation with 21 leading universities including Peking University, Tsinghua University, Fudan University and Zhejiang University for nearly 10 years. In 2018, Horizon Scholarship Program invested more than 2.3 million yuan and helped 310 students. The Company not only financially supported them, but also actively innovated by carrying out face-to-face career planning activities in schools to interact with students, understand their real needs, and provided matching internship and work opportunities for students to help them to apply what they have learned.



Award Ceremony of Horizon Scholarship in Fudan University



Award Ceremony on Outstanding Student in Zhejiang University

Charity Children’s Painting Exhibition and Auction in Montessori Academy

Montessori Academy, subsidiary of Far East Horizon Education, has been doing a good job in children’s education and committed to the development of public welfare and charity.

On April 28, 2018, the charity children’s painting exhibition of Montessori Academy was held in the Vango Sports Center. 71 pieces of exhibits created by students from Lingshan Park Campus and Biyun Park Campus, Pudong district, Shanghai, were auctioned with the love from parents and children, a total of 38,000 yuan was raised for the Baby Fund, which would all be used for the operation of the abandoned disabled children. Through this public service activity, the children gained a deeper understanding of “equality”, “love” and “mutual assistance”.



Visiting the Elderly in Community during Double Ninth Festival

Subsidiary school of Far East Horizon Education organized students to participate in community activities of respecting the aged, showing respect and care to the elderly in the community, they sent warmth to the elderly, sowed the seeds of love for students and established the traditional virtue of respecting the aged.

During Double Ninth Festival in 2018, first-grade students from Shanghai Hongwen School charity group, led by their teachers, went to a nursing home in Chuansha to carry out a caring activity. The children performed singing, recitation, martial arts, gymnastics and other wonderful performances to the elderly, presented the Double Ninth Festival blessing. The children also offered a Chongyang cake for every elderly person present to express their care. The children learned to establish the traditional virtues of respecting the elderly in the activities.



Public Service Activities in Subsidiary School of Far East Horizon Education (Qingdao)

Teachers, students and parents of subsidiary school of Far East Horizon education (Qingdao) actively organized and participated in community volunteer services, promoting community development through their own efforts. In 2018, 113 students, 20 teachers and 70 members of the parents’ volunteer groups participated in public service activities lasted about 2,300 hours.

Volunteer Activities on Distribution of Free Lunch in Rishantang

Teachers, students, and parents’ volunteer groups of subsidiary school of Far East Horizon education (Qingdao) went to Rishantang every Sunday, a charity restaurant, to do voluntary service and provided free lunch for the elderly of the community who have no families.



Volunteer Teaching Activity in Linyi

In 2018, teachers and students of subsidiary school of Far East Horizon education (Qingdao) went to volunteer teaching sites of Linyi and carried out five supported teaching public welfare activities. Students of subsidiary school of Far East Horizon education (Qingdao) taught children there rich and interesting math, music and dance lessons.



7.3 Carrying Out Medical Assistance Program

Far East Horizon actively implemented the guiding principles of the 19th National Congress of the Communist Party of China, practiced the “Healthy China” strategy, and provided medical assistance to grassroots people with financial difficulties through long-term care ward programs in Deyang of Sichuan province, Siyang of Jiangsu province, Anda City of Heilongjiang province and other regions and developed targeted medical poverty alleviation program in cooperation with third-and-fourth-tier cities and regions with less developed medical levels.

In the process of carrying out public welfare programs, the Company attaches great importance to the idea of “give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime.”. Instead of merely providing material assistance to the needy groups through community free clinics and “public training program”, the Company hopes the beneficiaries can obtain education, improve the living environment, increase living standards and survivability, and makes positive explorations for the dissemination and advocacy of public welfare concepts.

KPI for 2018 Medical Assistance Program

Community free clinic	Subsidiary medical institutions provided free clinics, popularization of science lectures and donation activities for nearly 300 times.
Care ward	Donated to nearly 70 patients in 8 hospitals.
Targeted medical poverty alleviation	Helped 293 poverty-stricken patients suffered from hemodialysis and cataract.
Doctor training program for the pediatric urology doctors	The medical aid team went to the countryside for 17 times, provided free clinics and treatments to nearly 400 children.

Doctor Training Program for the Pediatric Urology Doctors

In 2015, Horizon Charity Foundation and Shanghai Children's Medical Center (referred to as “Children's Center”) jointly launched the public training program to help disadvantaged children out of predicaments, and improved the clinical technology of doctors in remote areas. In the past three years, it has been widely praised by doctors and family members of many remote areas.

Charity Flower Blooms on the Plateau

Shigatse City is Shanghai's counterpart support city. A large number of doctors offering medical aid in Tibet from Shanghai have made great efforts in this snowy plateau and dedicated their youth. On May 17, 2018, a team of urology specialists from Horizon Charity Foundation and the Children's Center went to Shigatse, Tibet, to conduct a five-day medical assistance program to exchange and disseminate advanced clinical technologies and experiences.

With the altitude sickness, the medical aid team adhered to the schedule to help local doctors complete the disease screening of nearly 20 patients, got to know the patient's condition and hospital's diagnoses and treatment levels, and provided targeted professional opinions for the local doctors.



Surgical Demonstrations of the Medical Aid Team

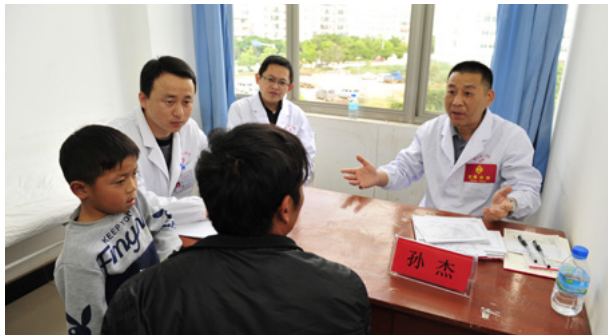


Photograph of Medical Aid Team in Shigatse

Start Again for Love

On July 26, 2018, the Foundation and the Children's Center Urology team went to Jianshui in Yunnan province for a four-day medical aid program. Pediatric urology doctors of the Children's Center performed surgeries for 10 poverty-stricken children, and local urologists carefully observed how the medical aid team used laparoscopic for pediatric urology surgery.

The medical aid program in Jianshui of Yunnan province relieved the illness and pain of the children in remote areas. It also provided local urologists with a solution to the difficult medical problems, helped to improve the medical level of pediatric urology in these remote areas.



Free Clinic Medical Aid Program Team in Jianshui, Yunnan Province



The Medical Aid Team Provided Free Clinics for Poverty-stricken Children with Urinary Diseases

Targeted Medical Poverty Alleviation Program

The Foundation and Far East Horizons Healthcare cooperated in accordance with the principle of “fixed, targeted and regular”, and covered more Group hospitals and people through targeted medical poverty alleviation program, which was recognized and strongly supported by local government and hospitals. In 2018, helped poverty-stricken patients get timely treatment through the implementation of targeted medical poverty alleviation program of Nayong Xinli Hospital and the Charity Dialysis Program for uremia patients”.

Charity Dialysis Program of Fengjie County

Fengjie County of Chongqing province is one of the nine national-level poverty-stricken county in Chongqing province. Horizon Charity Foundation responded to the national initiative of “targeted poverty alleviation”, promoted the concept of boundless love, and cooperated with Charity Association of Fengjie, carried out Charity Dialysis Program for uremia patients, aiming to provide financial support for uremia patients to alleviate the economic pressure they face due to medical treatment. In 2018, the Foundation invested 172,871 yuan for the program to help poverty-stricken patients get timely treatment and get out of the dilemma.

Targeted Medical Poverty Alleviation Program of Nayong Xinli Hospital

Nayong County is one of the 50 national-level poverty-stricken county in Guizhou province, and the poverty-stricken population accounts for 36.4% of the total. The patients of Nayong Xinli Hospital mainly suffered from cataract and hemodialysis, which need longer treatment and higher treatment cost. Poverty-stricken patients often cannot bear the continuous medical expenses and have huge economic burdens. In 2018, the Foundation invested 100,000 yuan to help patients reduce their economic pressure from medical treatment.

Community Free Clinics and Other Activities of Subsidiary Hospitals

In 2018, Far East Horizon Healthcare continued to implement a series of activities such as providing health education, public welfare and poverty alleviation program and free clinics, popularization of science and donation activities through its medical institutions, so that more patients and social groups had the opportunity to understand common medical knowledge and obtain medical services. Subsidiary medical institutions actively fulfilled their public welfare responsibilities by travelling thousands of miles to go to the communities, popularized science, donated materials and sent broad masses to people with a variety of social activities on weekends and holidays.



7.4 Promoting Poverty Alleviation

Bringing warmth and hope to people in difficulties is the charity original intention that Far East Horizon has always adhered to. In the past five years, the Company has benefited nearly 8,000 people through poverty alleviation program. In 2018, the Foundation continued to respond to the national call of “targeted poverty alleviation” policy, actively promoted the primary work of poverty

alleviation, strengthened the support force, persisted in poverty alleviation programs in poverty-stricken areas and provided assistance to all types of people living in poverty through poverty alleviation program of Chengguan town, Yongcheng of He Nan province, donated learning equipment and offered care for poverty-stricken primary school students.

2018 Poverty Alleviation Program of Chengguan Town, in Yongcheng of Henan Province

In order to make a solid progress in promoting the targeted poverty alleviation work, and let every beneficiary have a happy and complete festival, Horizon Charity Foundation went to Yongcheng, Chengguan town of Henan Province before the Mid-Autumn Festival to launch the Public Service Program of Yongcheng, Chengguan Town of Henan province. Local poverty-stricken households, widowed elderly and disabled people were provided with foods such as flour, rice, and cooking oil, and granted fellowship to poverty-stricken students to help them better complete their studies. In 2018, the program had helped more than 500 beneficiaries.



Volunteers Deliver Supplies to Beneficiaries



Aided Old People Sent Banners and Letter of Thanks to the Foundation

Donated School Supplies and Learning Equipment

The Foundation helped to improve the quality of teaching in poverty-stricken areas and teaching facilities of poverty-stricken schools.

The Foundation donated teaching equipment to Donglan County, Hechi City of Guangxi Zhuang Autonomous Region, a national-level poverty-stricken county, enriched the teaching resources of Donglan County, further broadened the horizons of students in the county. The Foundation also provided school supplies for the poverty-stricken students of Zhaiwa Primary School and Langli Primary School to promote students' enthusiasm for learning and comprehensive knowledge of science and culture. Through donation activities, students felt the love and support of all sectors of society, which enables students to grow up healthily in a more loving and good social environment.



Provided School Supplies for Poverty-stricken Students in Zhaiwa Primary School



Cared for the Poverty-stricken Students of Langli Primary School and Provided School Supplies

Awards

Industry Organization Membership

Organization	Status
Leasing Business Committee (LBC) of China Association of Enterprises with Foreign Investment (CAEFI)	Member
Commercial Factoring Specialty Committee of China Association of Trade in Services	Vice-chairman
Shanghai Leasing Trade Association	Member
Shanghai Pudong New Area Commercial Factoring Industry Association	Member
Lujiazui Financial City Council	Executive director
Guangdong Go Global Federation	Vice-chairman

Awards in 2018

Award	Issued by
394 th place in Fortune China 500 Y2018	Fortune China
1551 st place in Forbes Global 2000 Y2018	Forbes
Top 101 Outstanding Employer in China	Liepin.com
Diversified Outstanding Employer in Shanghai	Liepin.com
Automobile Financial Service Innovative Enterprise Award 2018	China Automobile Dealers Association
International Far Eastern Leasing Co., Ltd. won Pudong New Area Special Economic Contribution Award 2018	Shanghai Pudong New Area People's Government
Far East Horizon Financial Leasing Co., Ltd. won First Award of Shanghai Putuo District Regional Development Contribution 2018	Shanghai Putuo District People's Government

Data

Economy

Indicator	Unit	2016	2017	2018
Primary business income	RMB 100 million	139.28	187.82	253.79
Total profit	RMB 100 million	40.72	47.87	64.92
Total tax paid	RMB 100 million	28	35	41
Total assets	RMB 100 million	1,665.61	2,274.54	2,659.69
Subsidies from government	RMB 100 million	7.49	7.12	7.00
Employees' salary and welfare	RMB 10,000	210,501.50	285,823.50	349,571.00

Environment

Finance Sector HSE Data

Indicator	Unit	2016	2017	2018
Resource utilization				
Greenhouse gas emission	tCO ₂ e	1,117.75	836.39	6,366.30
Greenhouse gas emission per unit area	tCO ₂ e/m ²	0.05	0.03	0.05
Total power consumption	MWh	1,641.9	1,228.6	8,427.9
Power consumption per unit area	kWh/m ²	68.62	49.99	70.34
Total natural gas consumption	m ³	---	---	290,492
Natural gas consumption per unit area	m ³ /m ²	---	---	2.76
Total water consumption	m ³	---	---	70,194
Water consumption per unit area	m ³ /m ²	---	---	0.67

Indicator	Unit	2016	2017	2018
Emissions				
Hazardous wastes	ton	0.22	0.12	1.00
Harmless waste: dry waste	ton	---	---	61.66
Harmless waste: wet waste	ton	---	---	8
Harmless waste: recyclable household waste	ton	---	---	7

Note:

1. The data of finance sector included the data of Shanghai Grand Glory Eco Technology Co., Ltd., subsidiary of Far East Horizon.
2. The Company opened Far East Horizon Square officially in April 2018. The non-hazardous waste, water consumption and natural gas consumption by category was counted from 2018. The data scope covers Far East Horizon Square. The scope of power consumption in 2018 includes Far East Horizon Square, offices outside Shanghai and Far East Horizon leasing. Since Far East Horizon Square mainly used electricity for construction from January to March, the electricity consumption per unit area in 2018 had increased compared with that of the previous two years.
3. In 2018, the hazardous wastes are toner and ink cartridges.

Far East Horizon Healthcare HSE Data

Indicator	Unit	2016	2017	2018
Resource utilization				
Greenhouse gas emission	tCO ₂ e	11,834.84	15,315.99	25,168.25
Greenhouse gas emission per unit area	tCO ₂ e/m ²	0.04	0.03	0.04
Total power consumption	MWh	15,987	20,176	32,226
Power consumption per unit area	kWh/m ²	54.48	44.18	52.19
Total water consumption	m ³	719,842	775,925	1,068,814
Water consumption per unit area	m ³ /m ²	2.45	1.70	1.73
Total natural gas consumption	m ³	101,435	333,891	811,561
Natural gas consumption per unit area	m ³ /m ²	0.35	0.73	1.31
Total gasoline/diesel consumption	L	267,653	313,813	538,131
Gasoline consumption of own vehicles	L	155,726	182,900	289,140
Diesel consumption of own vehicles	L	111,927	126,858	241,504
Diesel consumption of generator	L	---	4,055	7,487

Indicator	Unit	2016	2017	2018
Emissions				
Effluents	m ³	324,517	501,168	776,572
Sulfur oxide	gram	4,091	4,731	8,139
Hazardous wastes: medical wastes	ton	367	472	706
Non-hazardous wastes	ton	3,901	4,573	6,050
Health and safety				
Number of work-related fatalities	person	0	0	0
Working days lost due to work injury	day	140	316	364
Times of safety supervision	tim	241	299	479
Number of emergency drilling	time	44	62	126
Safety training person-time	person-time	4,371	6,424	10,378

Note:

- 1.The data of Far East Horizon Healthcare in 2016 covers the holding hospitals that completed the delivery of Demin Medical Engineering and Huizhou Huakang Orthopaedic Hospital. The data in 2017 covers 20 hospitals, including the new arrival of Far East Healthcare in 2017 except Demin Medical Engineering; and the data in 2018 included 27 medical institutions within the scope of consolidated statements.
- 2.After the review, Far East Horizon Healthcare's data on power consumption per unit area, water consumption per unit area and natural gas consumption per unit area in 2017 were incorrect and had been corrected in this table.
- 3.After the review, the data of medical waste in 2016 and 2017 were incorrect and had been corrected in this table.
- 4.Sulfur oxide emissions were calculated on the basis of the gasoline and diesel consumption of the vehicle.

Far East Horizon Construction HSE Data

Indicator	Unit	2016	2017	2018
Resource utilization				
Greenhouse gas emission	tCO ₂ e	5,632.97	4,212.71	11,062.73
Greenhouse gas emission per RMB 1,000 revenue	tCO ₂ e/RMB 1,000	---	0.004	0.006
Integrated energy consumption	Kilogram Coal	1,143,800	870,680	2,223,840
Integrated energy consumption per RMB 1,000 revenue	Kilogram Coal/ RMB 1,000	---	0.87	1.23
Total power consumption	MWh	7,531	5,531	14,819
Power consumption per RMB 1,000 revenue	kWh/RMB 1,000	---	5.53	8.22

Indicator	Unit	2016	2017	2018
Total water consumption	m ³	118,704	106,704	82,173
Water consumption per RMB 1,000 revenue	m ³ /RMB 1,000	—	0.11	0.05
Total gasoline/diesel consumption	l	184,600	163,700	360,000
Gasoline consumption of own vehicles	l	86,400	98,400	360,000
Diesel consumption of own vehicles	l	98,200	65,300	0
Total consumption of packaging materials	ton	—	5	4
Emissions				
Effluents	m ³	106,834	119,673	51,338
Sulfur oxide	gram	2,851	2,498	5,292
Total hazardous wastes	ton	18,600	9.60	5
Total amount of Non-hazardous wastes	ton	237	1,743	185
Including household waste	ton	237	143	180
Including construction waste	ton	—	1,600	0
Including others	ton	—	—	5
Health and safety				
Number of work-related fatalities	person	0	0	0
Working days lost due to work injury	day	2	38	0
Times of safety supervision	time	52	85	824
Number of emergency drilling	time	4	26	76
Safety training person-time	person-time	4,000	3,600	5,123

Note:

1. The scope of construction sector data is Horizon Construction Development in 2018.
2. The scope of integrated energy consumption includes electricity consumption, gasoline and diesel consumption of the construction sector.
3. In 2018, Horizon Construction Development business model and the type of equipment used in the business process changed, so the total power consumption increased compared with those of the previous two years.
4. In 2018, the aluminium mold workshop of Horizon Construction Development production and manufacturing plants in Jinshan stopped production and the scaffold workshop reduced production. Therefore, the effluents discharge dropped compared with those of the previous two years.
5. The total amount of hazardous waste included construction waste in 2016.
6. The scope of work injury data in the construction sector is consistent with that of the Company's consolidated statements.
7. In 2018, the reconstruction and expansion of the new industrial plants were completed, and the output of construction waste was 0, so the amount of non-hazardous wastes decreased compared with in 2017. Other types of non-hazardous wastes include recyclable waste paper, wood, metal and so on.
8. In 2018, diesel vehicles in the construction sector were phased out, all private vehicles were gasoline vehicles, so the diesel consumption of private vehicles was 0.
9. Sulfur oxide emissions were calculated based on gasoline consumption of Company vehicles and diesel consumption of Company vehicles.

Far East Horizon Education HSE Data

Indicator	Unit	2016	2017	2018
Resource utilization				
Greenhouse gas emission	tCO ₂ e	249.10	445.03	1,659.43
Greenhouse gas emissions per unit area	tCO ₂ e/m ²	0.04	0.04	0.01
Total power consumption	MWh	364	642	2,412
Power consumption per unit area	kWh/m ²	55.89	61.44	20.43
Total water consumption	m ³	7,240	11,197	57,044
Water consumption per unit area	m ³ /m ²	1	1	0.48
Total water consumption	m ³	600	3,688	8,048
Water consumption per unit area	m ³ /m ²	0.09	0.35	0.07
Office paper volume	ton	2	4	11
Health and safety				
Number of work-related fatalities	person	0	0	0
Working days lost due to work injury	day	0	0	0
Times of safety supervision	time	48	72	146
Number of emergency drilling	time	22	38	49
Safety training person-time	person-time	172	2,382	11,200

Note:

1. For Far East Horizon Education, the data of 2017 covers 6 kindergartens and schools, the data of 2018 is consistent with the scope of Far East Horizon Education consolidated statements. Since Shanghai Hongwen School officially started running in September 2018, and only some classrooms and teaching places were used, power consumption per unit area, water consumption per unit area and natural gas consumption per unit area were much different from those in 2017.

2. In 2016, safety training person-time only covers teachers, while in 2017 and 2018, it covers both teachers and students.

3. Employment and labor – General

Indicator	Unit	2016	2017	2018
Employment				
Total employees	person	8,184	11,558	12,813
Female employees	person	2,971	3,853	4,233
Male employees	person	5,213	7,705	8,580
Contracted employees	person	6,364	9,672	10,909
Dispatched employees	person	0	0	0
Other	person	1,820	1,886	1,904
Employees based in Chinese Mainland	person	8,181	11,555	12,810
Employees based in Hong Kong, Macau and Taiwan and overseas	person	3	3	3
Minority employees	person	248	348	360
Disabled employees	person	3	9	10

Indicator		Unit	2016	2017	2018
Percentage of employees under collective bargaining agreement		%	100	100	100
Turnover rate of employees		%	11.5	13.6	12.5
Turnover rate of female employees		%	6.7	9.4	6
Turnover rate of male employees		%	14.0	15.7	15.3
Turnover rate of employees aged below 30		%	11.6	13.0	12.9
Turnover rate of employees aged 30-50		%	12.3	15.2	15.3
Turnover rate of employees aged over 50		%	0.7	1.5	0.9
Employee training					
Employee training expenditure	Finance sector	RMB 1,000	8,700	14,210	9,800
	Industry sector	RMB 1,000	—	4,680	4,970
Employee training coverage	Finance sector	%	98	98.90	99
	Industry sector	%	—	95.60	96.20
Training coverage among female employees	Finance sector	%	—	99.50	99.50
	Industry sector	%	—	96.30	96.80
Training coverage among male employees	Finance sector	%	—	98.60	98.70
	Industry sector	%	—	95.20	95.70
Training coverage among senior managers	Finance sector	%	—	91	90
	Industry sector	%	—	100	100
Training coverage among middle managers	Finance sector	%	—	97	97
	Industry sector	%	—	98.50	95.80
Training coverage among junior employees	Finance sector	%	—	99.60	99.60
	Industry sector	%	—	95.30	95.50
Employee average training hours	Finance sector	hour	35.27	36.80	37
	Industry sector	hour	—	30.60	33.3
Average training hours among female employees	Finance sector	hour	38	40.30	40.50
	Industry sector	hour	—	33	35.90
Average training hours among male employees	Finance sector	hour	34	35.20	35.50
	Industry sector	hour	—	29	30.80
Average training hours among senior managers	Finance sector	hour	26.40	33.80	33.80
	Industry sector	hour	—	45	45
Average training hours among middle managers	Finance sector	hour	33.90	40.60	40.40
	Industry sector	hour	—	37	37
Average training hours among junior employees	Finance sector	hour	35.20	36.20	37.60
	Industry sector	hour	—	29.80	30.50

4. Operation practice

Indicator	Unit	2016 年	2017 年	2018 年
Anti-corruption				
Number of concluded legal cases regarding corrupt practices brought against the Company or its employees	piece	1	1	0
Supply chain management				
Total suppliers	number	499	554	576
Suppliers based in Chinese Mainland	number	478	531	552
Suppliers based in Hong Kong, Macau and Taiwan and overseas	number	21	23	24

Note:

1.Data of the finance sector. In 2017, the Company identified and verified 1 former employee with the act of accepting bribes during the service period at the Company, and assisted the judicial authority in investigation, and the case has been ruled by the competent court. Meanwhile, the Company organized company-wide warning education using the case.

2.In 2018, the Company identified and verified 1 case in which the employees took advantage of their duties and was suspected of duty encroachment. The Company actively cooperated with the judicial authorities to conduct investigations, and as of 2018, the case has not yet been concluded.

3.Supplier data cover only industry sector supplier data.

5. Product responsibility

Indicator	Unit	2016	2017	2018
Complaints received on products and services	case	3	2	9
Complaint handling rate	%	100	100	100

6. Community

Indicator	Unit	2016	2017	2018
Total cash expenditure for public welfare activities	RMB 10,000	378.00	350.40	396.95
Participants of volunteer activities	person-time	1,184	nearly 1,000	300
Total hours of volunteer activities	Hour	8,960	nearly 5,000	2,000

Note

1. Total cash expenditure for public welfare activities refers to that of Horizon Charity Foundation.

2. The date scope of participants of volunteer activities and total hours of volunteer activities in 2018 is Horizon Charity Foundation.

7. Compliance and complaint

Type	Unit	non-compliance cases in 2018
Environmental protection	piece	0
Providing a safe working environment and protecting employees from occupational hazards.	piece	1
Employment and labor practices	piece	0
Product and service safety, advertising, labeling and privacy, etc.	piece	2

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Notes for preparation of the Report

This is the sixth corporate social responsibility report released by Far East Horizon Limited (referred to as “Far East Horizon”, “the Company” or “we”). 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 Company with respect to the economy, environment and society.

Reporting scope

Scope of the organization: Far East Horizon Limited and its subsidiaries in the consolidated statements.

Release cycle: This report is an annual report, with the previous report released in June 2018.

Reference basis

This report is written according to the "Environmental, Social and Governance Reporting Guide 2015" by the Stock Exchange of Hong Kong Limited (HKEx). Meanwhile, this Report has quoted some standards from the Sustainability Reporting Standards (2016) issued by the Global Reporting Initiative. Please see the index of the Sustainability Reporting Standards for details.

Data specification

The financial data in this report are quoted from the “Far East Horizon Limited Annual Report 2018”. Other data and cases come from records of the Company’s actual operation. Unless otherwise stated, the type of currency and amount of money involved in this report are measured in RMB.

Report release

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

You are welcome to send your comments and suggestions to csr@fehhorizon.com.

Abbreviations

Full name of the Company and business unit	Abbreviation
Far East Horizon Limited	Far East Horizon, the Company
Far East Horizon Healthcare Group	Far East Horizon Healthcare
Far East Horizon Construction Group	Far East Horizon Construction
Far East Horizon Education Group	Far East Horizon Education



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