Far East Horizon Limited 2025 Annual Results

March 2026

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Note: Unless otherwise specified, all monetary amounts stated herein are denominated in RMB and the data herein is as of 31 December 2025

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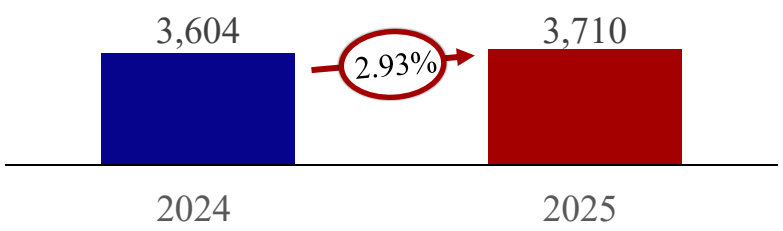
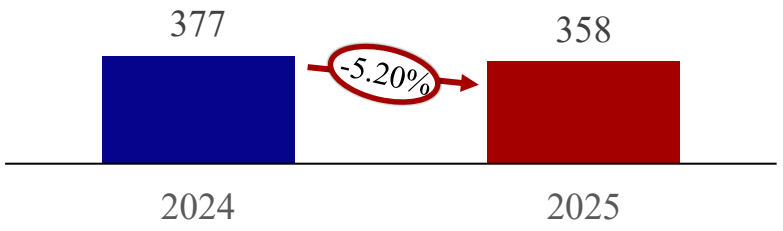
Financial business improved, with overall performance showing a slight increase

- In 2025, facing external challenges, the company proactively adjusted its business strategy and accelerated the iteration of its new business ecosystem. Its overall performance was robust, with all business segments achieving profitability, achieving a total revenue of RMB 35.8 billion and a net profit attributable to shareholders of RMB 3.9 billion.
- Among them: **(1) For the financial business**, traditional businesses focused upwards, with asset deployment stabilizing and rebounding; inclusive finance expanded downwards, with business volume continuously breaking through; the overall scale of interest-earning assets (IEAs) has slightly increased compared to the end of last year, asset quality continued to be consolidated, interest margin levels maintained advantageous, and the impact of industry decline was effectively hedged. **(2) For the equipment operation business**, focused on domestic adjustments while continuously expanded overseas; affected by disturbances in the domestic market environment, overall revenue and profits have declined yoy. **(3) For the hospital operation business**, focused on enhancing operational efficiency, and although performance has declined yoy due to environmental factors, it still maintained a positive profit contribution.

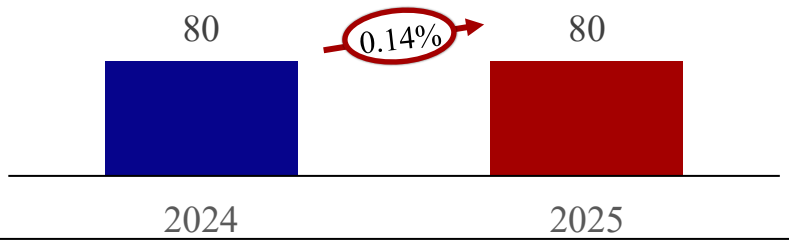
Total assets (RMB'00 million)



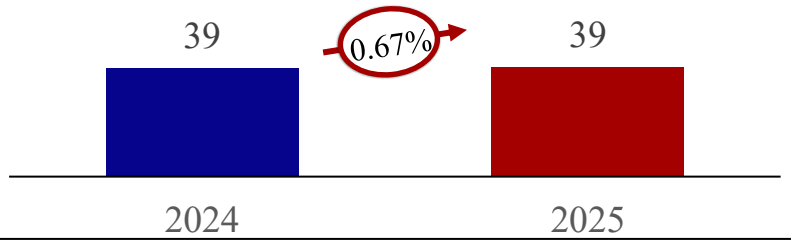
Revenue (RMB'00 million)



Profit before tax (RMB'00 million)



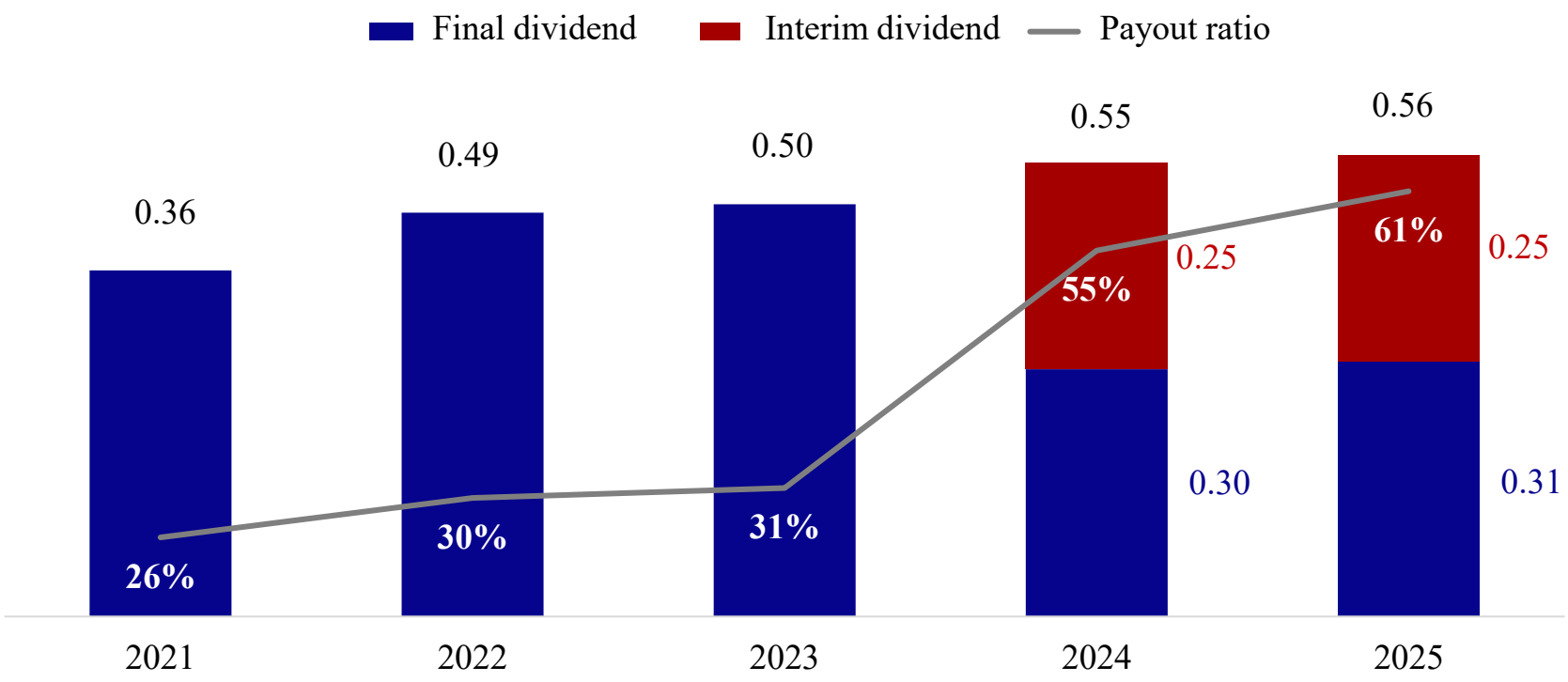
Net profit attribute to ordinary shareholders of the parent (RMB'00 million)



The dividend base remained stable, steadily enhancing shareholder returns

- Financial services segment served as a strategic ballast, effectively safeguarding overall performance and ensuring dividend stability.
- Continuing its generous dividend policy, the Board has proposed a final dividend of HK$0.31 per share, which, together with the interim dividend, totals a full-year distribution of HK$0.56 per share. This represents a steady increase compared to 2024, with the cash dividend payout ratio rising to 61%, indicating a steady improvement in shareholder returns.

Dividend per share (HKD) and payout ratio



Financial services: traditional businesses evolve steadily while inclusive finance grows methodically

- Consistently aligned with "Serving Industrial Upgrade & Urban Transformation" dual mandates, the Company leverage marketization, globalization, and specialization competencies to deliver comprehensive, tailored financial solutions with financial leasing at the core for corporate clients.
- Long-term deep cultivation in sustainable industries and customers with a solid foundation for safe operations, creating a unique business model.

Overview of finance services

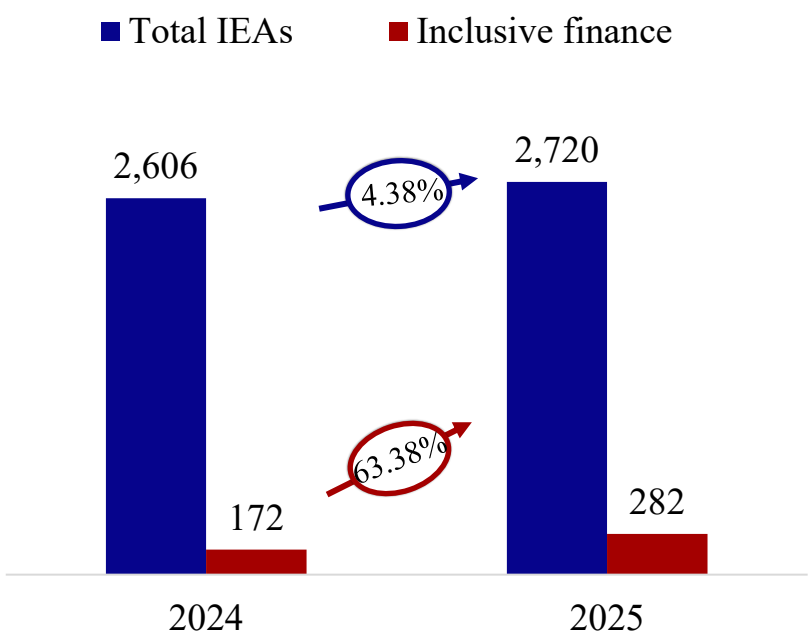
- **Business model:** Rooted in **9 major industries** that are closely related to international people's livelihood, provided **comprehensive** and **customized** financial services.
- **Scale:** Approximately **2,300** employees, the scale of IEAs is approximately **RMB243.9 billion**, with a total of over **10,000 customers** served.
- **Strategy:** In terms of industry, focusing on approximately **9,500** target customers **leading in various industries and regions**. In terms of cities, focus on **economically developed and vibrant regions.** Maintain **stable scale** and ensure **asset security.**

- **Business model:** Deeply cultivate the long tail market in **economically developed regions.**
- **Scale:** Approximately **2,300** employees, have established over **80** inclusive finance business outlets, the scale of IEAs is approximately **RMB28.2 billion**, with a total of over **30,000** customers served.
- **Strategy:** Balanced growth with disciplined risk management, achieving systematic expansion while maintaining robust risk controls. Classify all IEAs that are **overdue for more than 30 days** as non-performing assets and adopt a **100% write-off** policy for non-performing assets.

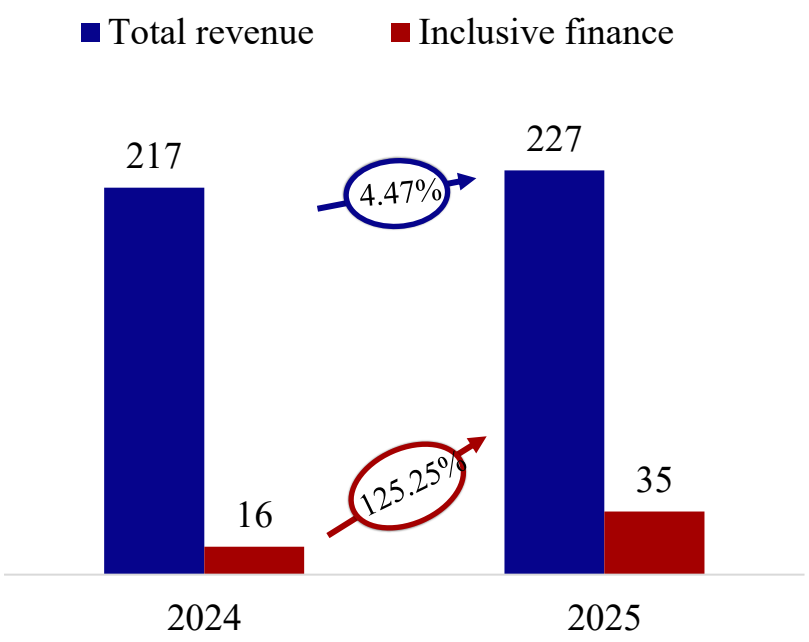
Financial services: traffic delivery has seen a steady increase, and asset scale has resumed growth

- Traditional business operations have stabilized, and inclusive finance has expanded in an orderly manner. The overall net IEAs have increased to RMB 272 billion, representing a 4.38% growth from the end of the previous year. Among these, the net interest-earning assets for inclusive finance amounted to RMB 28.2 billion, marking a 63.38% increase from the end of the previous year, and the proportion of net interest-bearing assets has risen to 10.36%.
- The financial business revenue reached RMB 22.7 billion*, representing a yoy increase of 4.47%. The inclusive finance interest income increased by 125.25% yoy.

Net interest-earning assets (RMB'00 million)



Revenue of financial services (RMB'00 million)

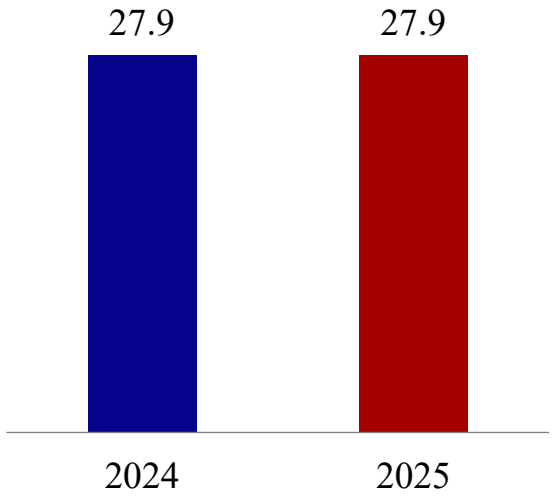


*Note: This is the revenue amount before taxes and surcharges.

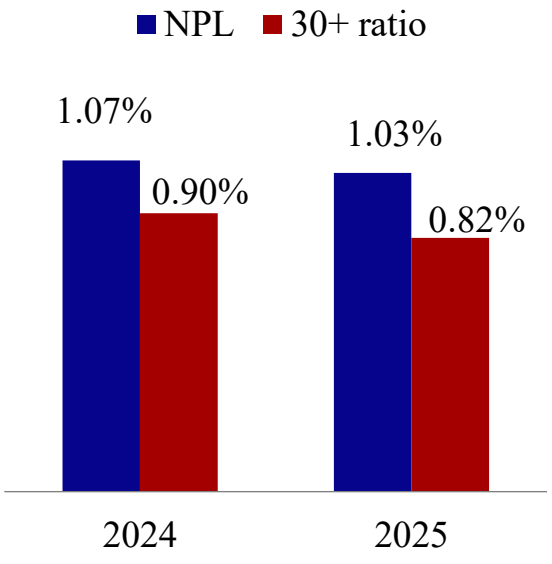
Financial services: asset quality showed steady improvement while maintaining prudent accounting policies

- The balance of non-performing assets remained stable. Due to the rebound in the scale of IEAs, the non-performing asset ratio declined to 1.03% and the proportion of IEAs overdue for more than 30 days ("30+ ratio") declined to 0.82%, reflecting solid asset quality with controllable trend expectations.
- The NPL provision coverage ratio remained stable, and the accounting policies remained consistently prudent.

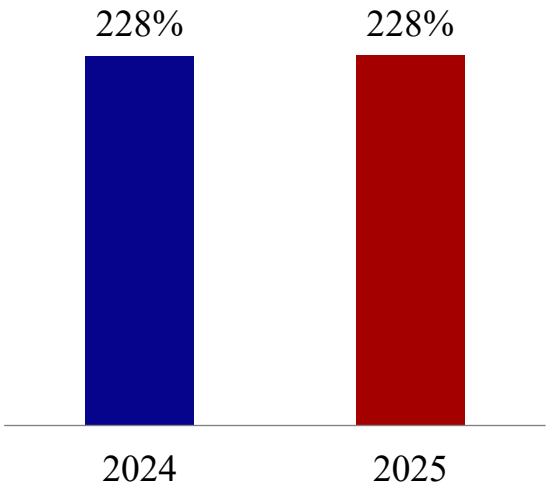
Non-performing assets (RMB'00 million)



NPL and Overdue interest-earning assets (over 30 days) ratio



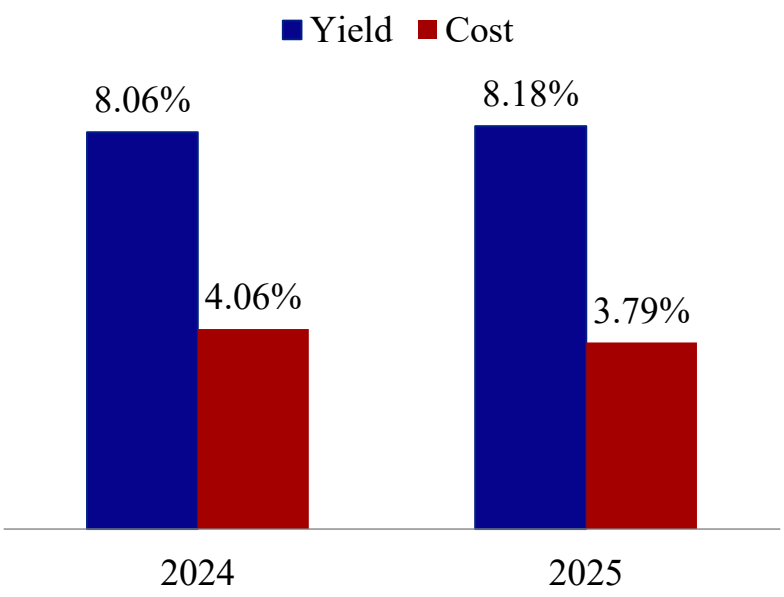
NPL provision coverage ratio



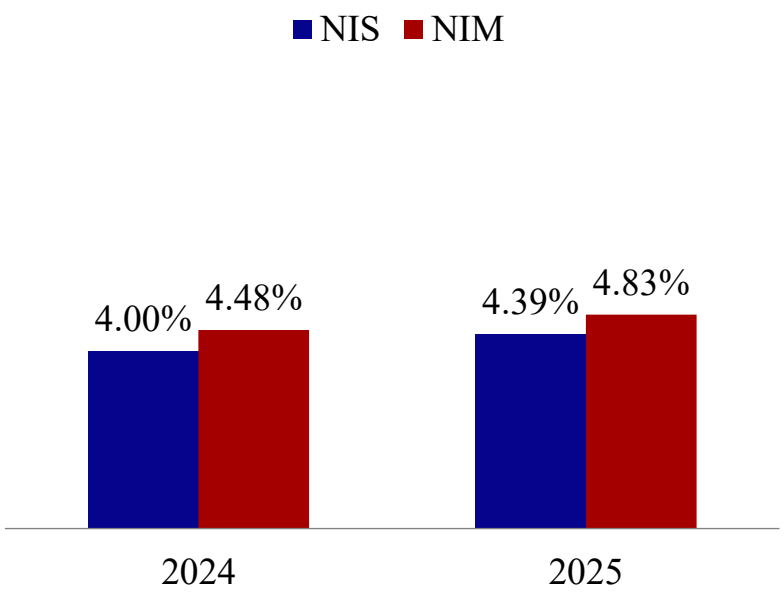
Financial services: the overall return on assets remained stable, and financing costs continuously optimized

- The Net Interest Spread (NIS) was 4.39%, representing an increase of 0.39 percentage points compared with the same period last year. The Net Interest Margin (NIM) was 4.83%, representing a decrease of 0.35 percentage points compared with the same period last year.
- Among them: (1) On the revenue side: benefiting from the integrated service strategy and the steady expansion of inclusive finance, the return on financial business assets has shown structural growth; (2) On the cost side: by fully leveraging the diversified financing advantages, the cost of new financing has steadily decreased. Meanwhile, some existing high-cost financing has matured, leading to continuous optimization of overall financing costs.

Yield and Cost



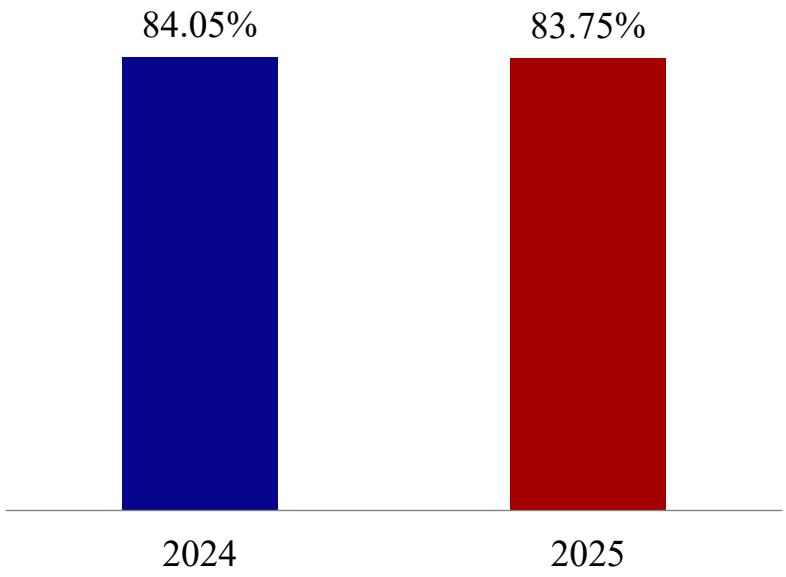
NIS and NIM



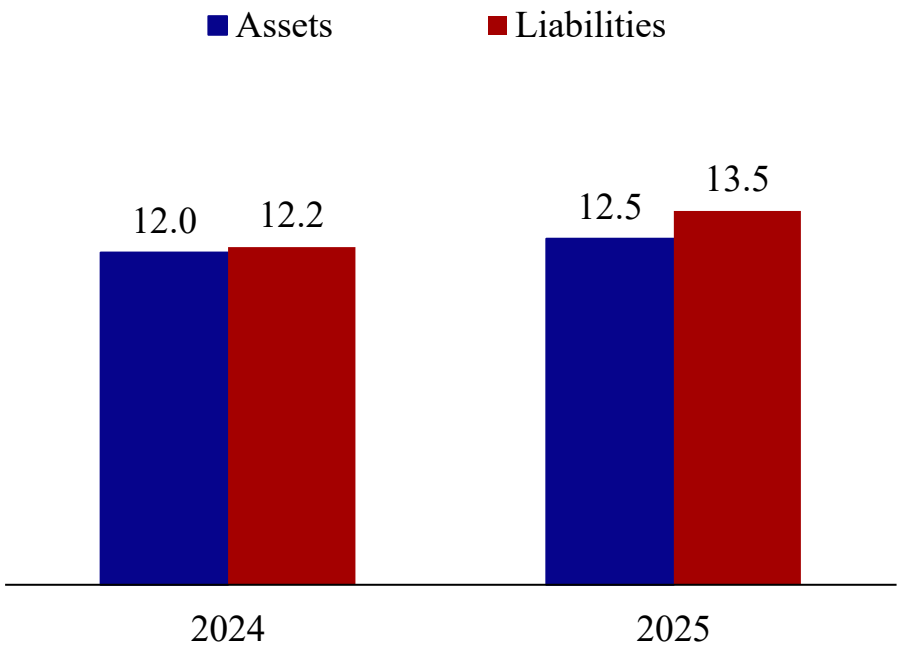
Financial services: keep stable leverage and match the duration of assets and liabilities

- With the conversion of convertible bonds increased shareholders' equity by approximately RMB 2.1 billion, the debt-to-asset ratio optimized to 83.75%, maintained a reasonable level while leaving room for growth.
- The Company maintained disciplined liquidity management approach, ensuring strict cash flow matching and controllable liquidity safety. The duration of both assets and liabilities has been prudently extended.

Gearing ratio



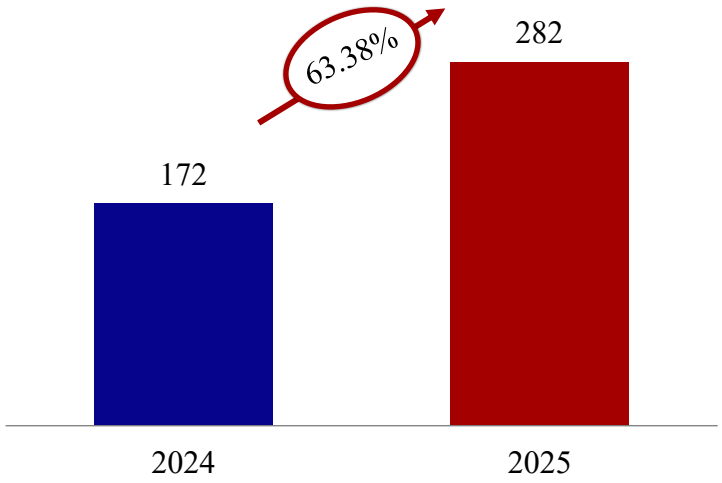
Duration of financial assets and financial liabilities (month)



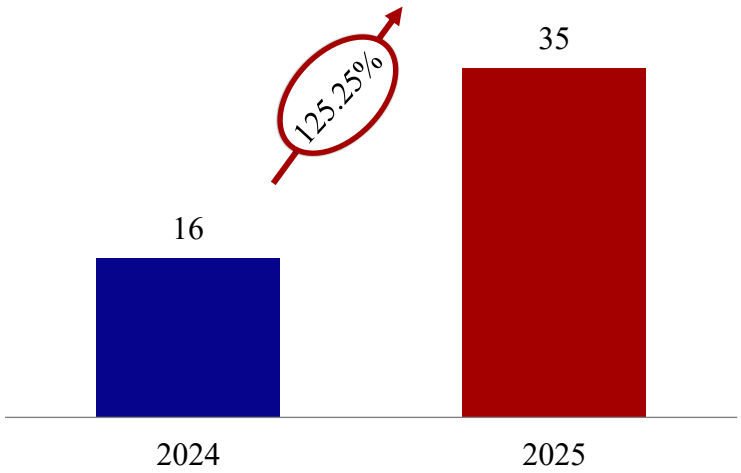
Financial services: inclusive finance achieves steady growth with increasing earnings contribution

- Inclusive finance is a sector of the Group specializing in financial leasing for SME customers. It focuses on deeply exploring the long-tail market of manufacturing industries in economically developed regions along the coast and along the Yangtze River. Currently, it has established over 80 business outlets and has served more than 30,000 customers.
- The steady expansion of inclusive finance has provided new growth opportunities and highlights for the Company's development. The net IEAs have increased to RMB 28.2 billion, up 63.38% from the end of the previous year, and the proportion of net IEAs in the overall portfolio has risen from 6.62% at the end of the previous year to 10.36%. The interest income reached RMB 3.5 billion, a yoy increase of 125.25%.
- The business model and processes have become more refined and efficient, with an average of 50.7 projects completed daily, a significant increase from 27.2 in 2024.

Interest-earning asset (RMB'00 million)

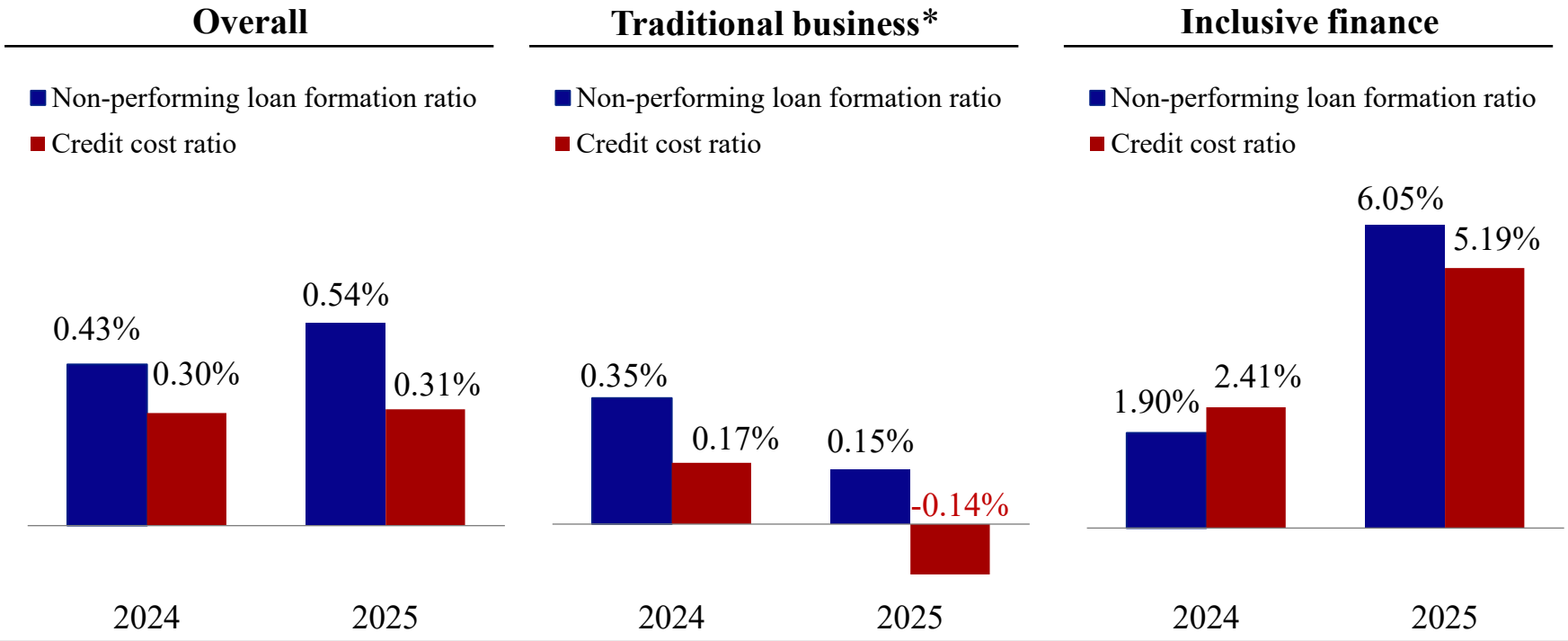


Interest revenue (RMB'00 million)



Financial services: prudent and controllable asset quality with full write-off policy implementation

- Due to the characteristics of inclusive finance business, the non-performing loan generation rate and credit cost rate are higher than those of the overall financial business. The company classify all IEAs that are overdue for more than 30 days as non-performing assets and adopt a 100% write-off policy for non-performing assets.
- A comprehensive risk management system for inclusive finance has been established: (1) At the business introduction end, an effective credit management system tailored for small and micro-sized customers has been established through the management of industry risks, regional risks, and operational risks; (2) At the post-lease management end, a nationwide post-lease management team has been established to ensure the prudent operation of the business and the safety and stability of asset quality through a combination of online and offline asset early warning, collection, and disposal measures.

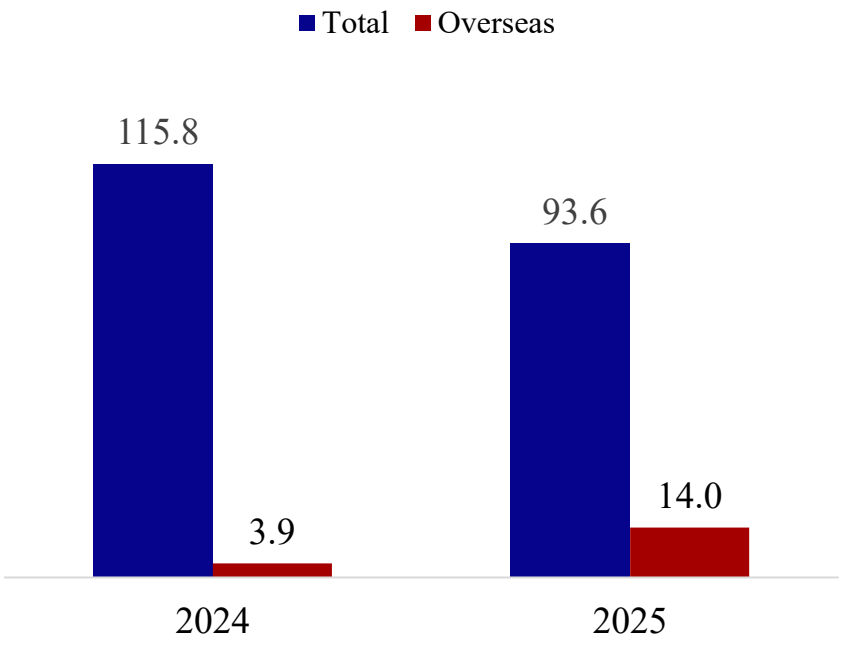


*Note: After the write-off of bad debts in traditional businesses in 2025, the collected amount was approximately RMB 497 million. Since this item is a deduction from the provision expenses, the overall provision for traditional businesses was reversed by RMB 346 million, a yoy decrease of RMB 773 million.

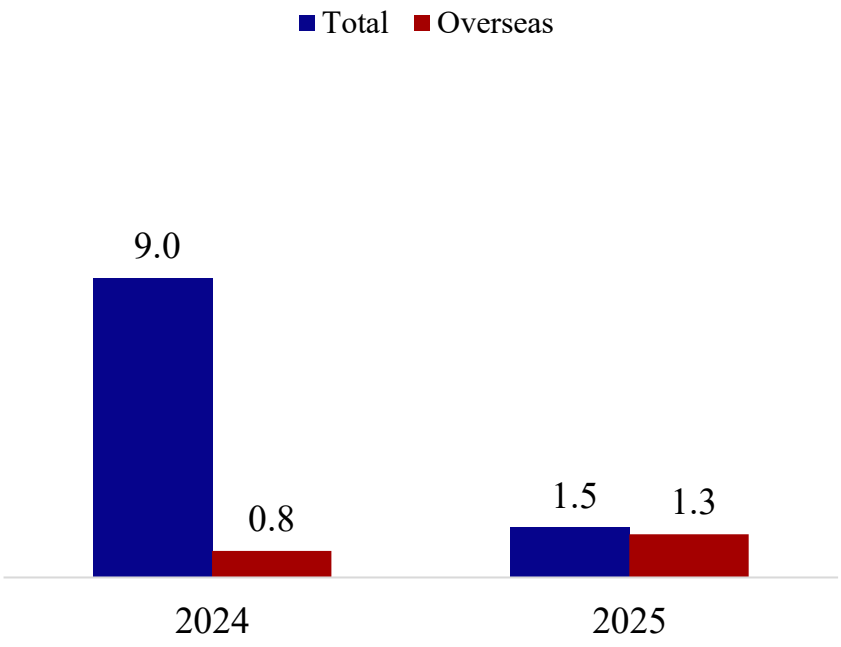
HCD: domestic business experienced pressure and decline, while overseas business contributed to growth

- In 2025, HCD achieved revenue of RMB 9.36 billion and net profit of RMB 150 million.
- Among them: (1) In the domestic market, HCD continued to proactively optimize its asset structure and reduce costs through lean management measures. Although profits showed a significant yoy decline, operating cash flow remained stable; (2) In overseas markets, HCD continued to improve its business systems in Southeast Asia and the Middle East, experiencing rapid expansion in scale. The revenue and profit reached RMB 1.40 billion and RMB 130 million respectively, with performance contributions continuously increasing.

Revenue (RMB'00 million)



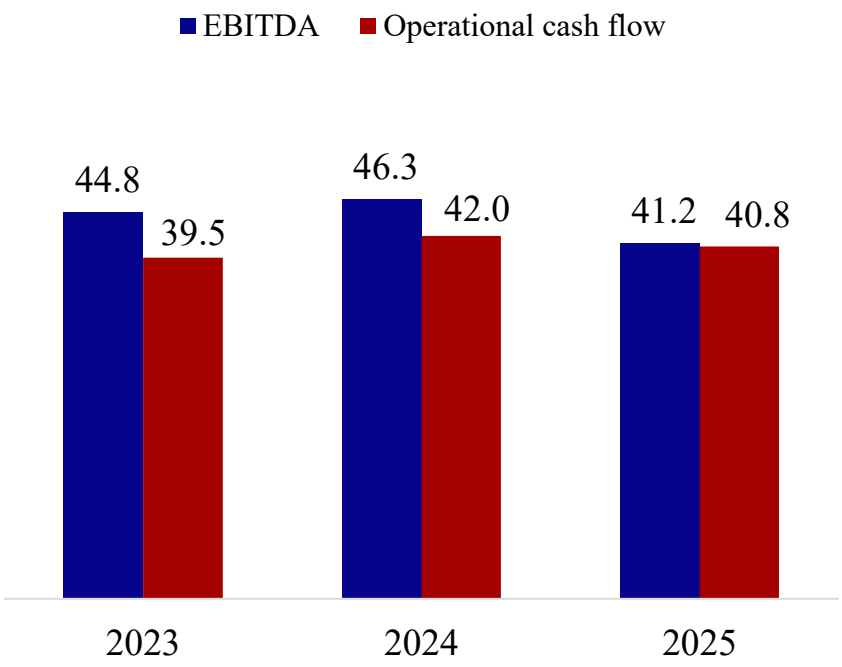
Gross profit (RMB'00 million)



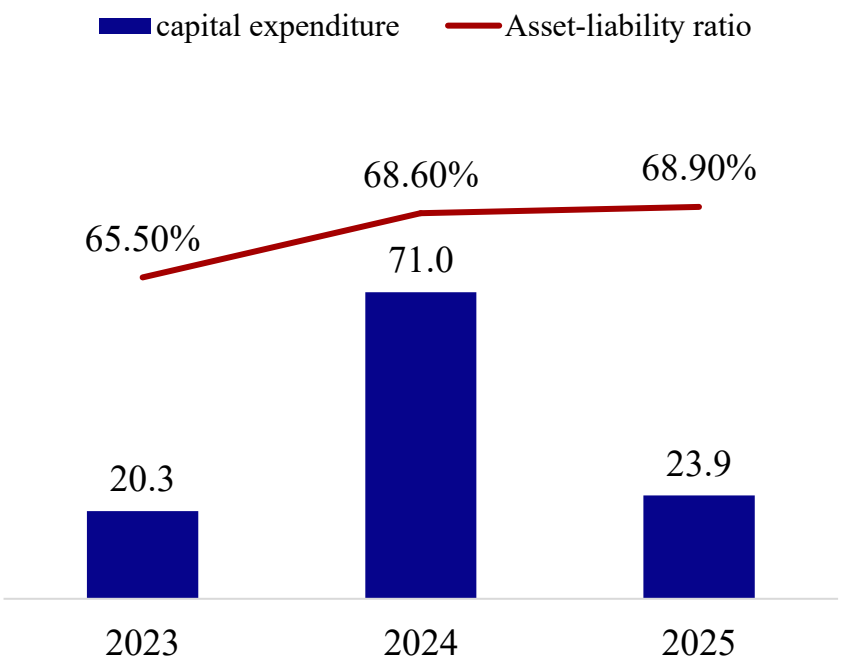
HCD: The business foundation remained solid, and risk management and control have become more prudent

- Although domestic business has been impacted by the deep adjustment of the industry, the operating foundation remains solid thanks to the long-term accumulated advantages in scale, product categories, service network, and operational capabilities. EBITDA and operational cash flow continue to be stable.
- At the same time, HCD actively adjusted the scale of domestic asset management, strictly control capital expenditure, and maintain a stable leverage level.

EBITDA and operational cash flow (RMB'00 million)



Asset-liability ratio and capital expenditure (RMB'00 million)

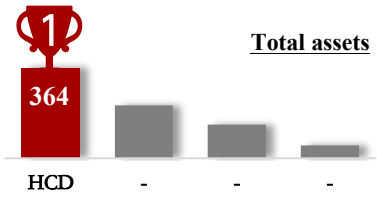


HCD: Domestic business still has potential, while overseas business has vast space for development

- The domestic market remains substantial in size, and amidst the industry adjustment cycle, there is an even greater need for consolidators with high service quality. As a leading player in the domestic market, HCD will continue to optimize its asset structure and explore operational scenarios in the current environment, laying the groundwork for the industry's recovery.
- Overseas, HCD will adhere to its "3+3+3" internationalization strategy, continuously expanding into new markets while solidifying its existing country layouts, systematically enhancing its global operating capabilities.

The domestic business has a leading edge and is actively adjusting in anticipation of recovery

Leading in equipment scale



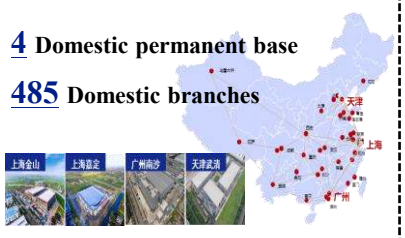
Comprehensive range of devices

20万+ devices, 1,880,000+ ton materials

Extensive service network

4 Domestic permanent base

485 Domestic branches



Comprehensive service capability

7*24hours, quick service response

技术方案 + 设备租赁 + 工程施工 + 增值服务

◆ 提供完整的一站式服务

The overseas business expansion model is matured and it will continue to explore new markets

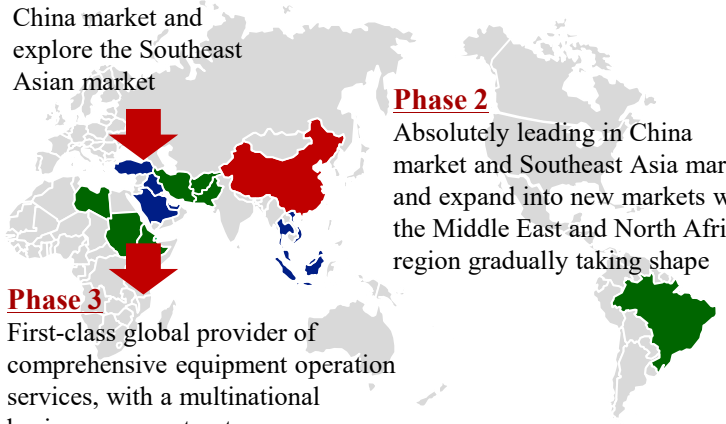
"3+3+3" internationalization strategy

The "3+3+3" strategy has entered a phase of systematic enhancement in overseas expansion

Phase 1
Absolutely leading in China market and explore the Southeast Asian market

Phase 2
Absolutely leading in China market and Southeast Asia market and expand into new markets with the Middle East and North Africa region gradually taking shape

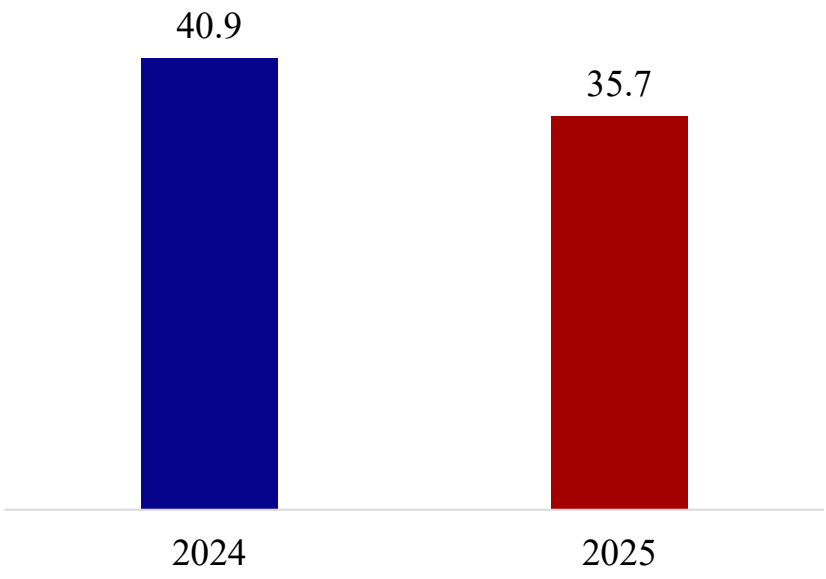
Phase 3
First-class global provider of comprehensive equipment operation services, with a multinational business group structure



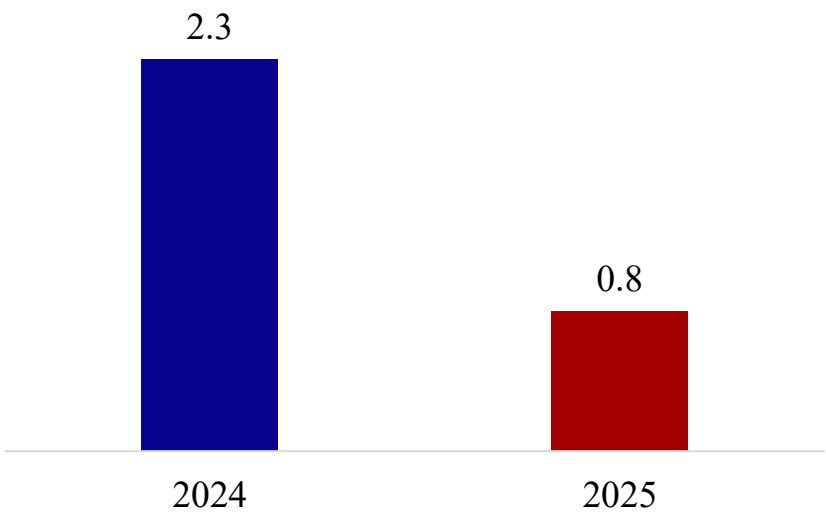
Horizon Healthcare: Although the performance has declined due to environmental factors, it still maintained a positive profit contribution

- In 2025, Horizon Healthcare achieved revenue of RMB 3.57 billion and net profit of RMB 80 million.
- Due to external environmental impacts, the performance declined yoy, but Horizon Healthcare still maintained positive profitability and cash flow contribution.

Revenue (RMB'00 million)



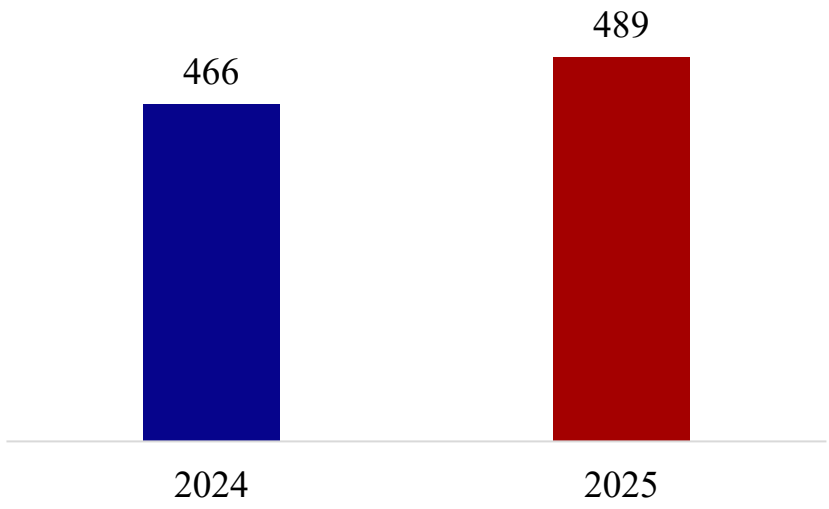
Net profit (RMB'00 million)



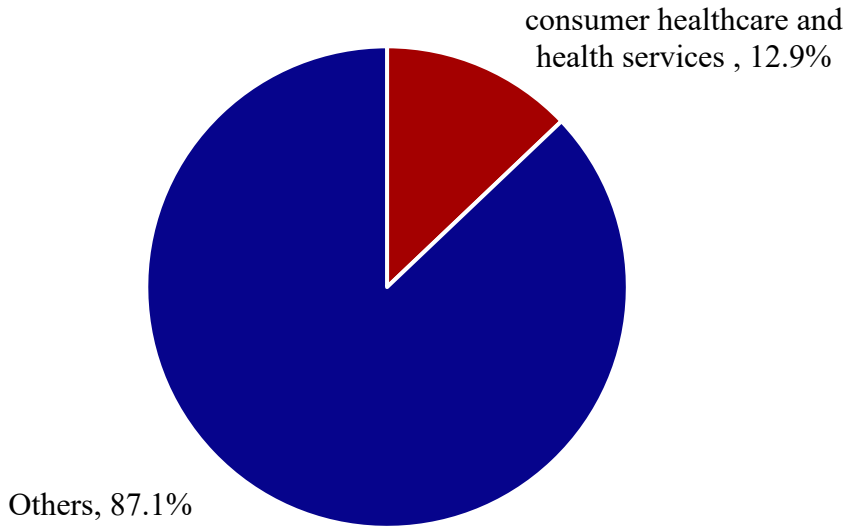
Horizon Healthcare: Maintain a stable business structure and actively expand diversified income sources

- Thanks to the forward-looking medical operation model and regional layout, all hospitals have maintained normal operation, becoming a powerful supplement to local public medical resources. The number of outpatient and emergency visits has steadily increased, and the medical quality has been widely recognized.
- The service scope has been continuously enriched, and comprehensive health services have been actively expanded. The proportion of revenue from consumer healthcare and health services has further increased from 10.7% in 2024 to 12.9%, making the revenue structure more diversified and robust.

The number of outpatient and emergency visits ('0 thousand)



Structure of revenue



Horizon Healthcare: Adhere to the differentiated medical service strategy and continuously enhance service capabilities

- Adhering to the mission of "Good healthcare doesn't need to travel far", Horizon Healthcare deeply aligns with China's healthcare policy direction, focusing on third, fourth, and fifth-tier cities as well as county areas. The correct strategic direction ensures that Horizon Healthcare still has differentiated living space in the current environment, and the business formation remains stable.
- At the same time, Horizon Healthcare continues to innovate service models, extend service scope, and enhance operational and financial stability through diversified services.

Maintains a stable operational structure and deeply cultivates differentiated survival space

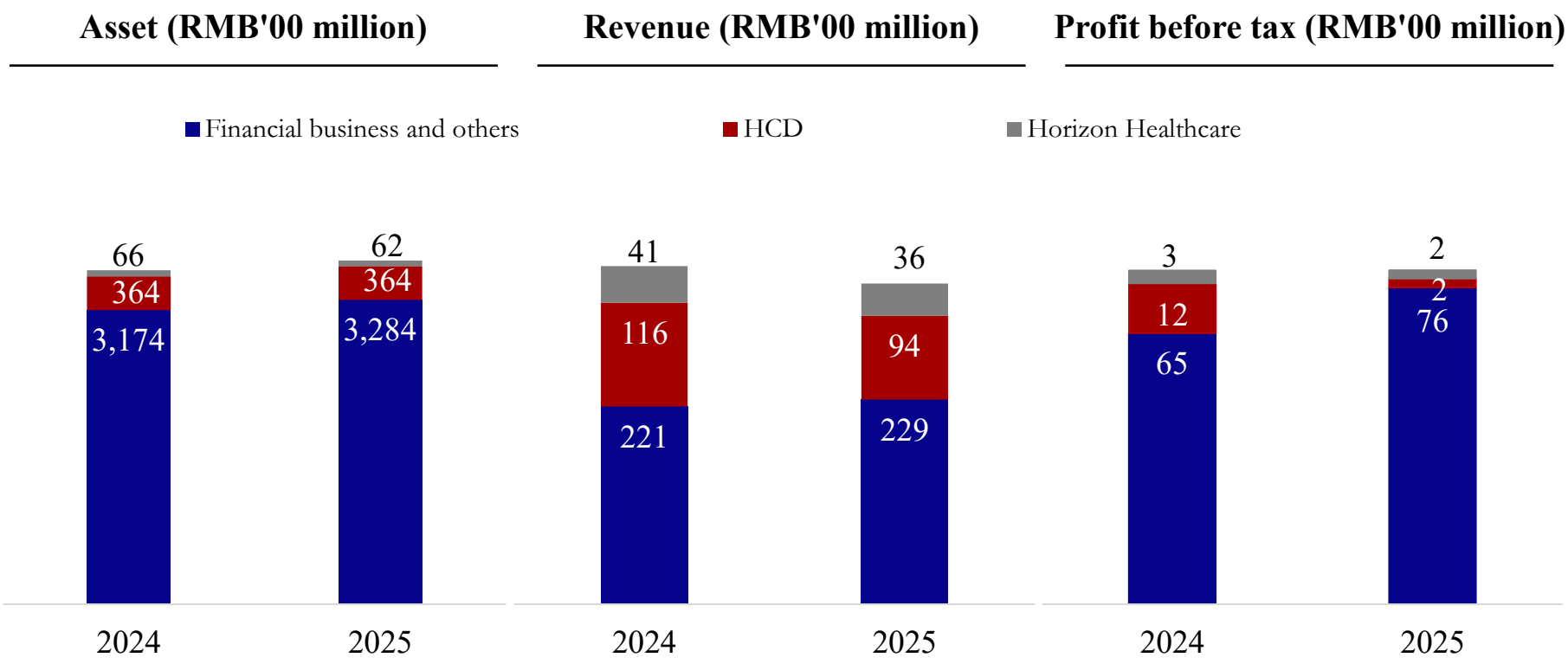
- ✓ **One system:** unified standards
- ✓ **One network:** data sharing;
- ✓ **One hospital:** resource collaboration

Break through the "walls" of hospitals and become a one-stop health manager for the people

Covering diseases, rehabilitation, health, sub-health, chronic disease management, and other comprehensive health services

Performance Summary: High-quality growth in financial business, hedging against timing pressure in the industry

- Facing macroeconomic challenges, the financial business, as the core pillar of the Company, has made breakthroughs in both traditional business and inclusive finance. The asset scale, income level, and profitability have returned to an upward trajectory, effectively hedging the timing performance pressure faced by the industrial sector. It has played the role of a ballast stone to ensure the steady development of the company.
- The business ecosystem has undergone iteration, finding new business opportunities in the continuously changing environment and achieving overall stable performance.



*Note: The sub-item "Finance and Others" primarily encompasses financial operations. In addition to financial operations, it also includes the group's public assets, other sporadic business segments, and their corresponding revenues and profits.

Appendix: Condensed Balance Sheet

RMB'00 million	2025	2024	Change
Total assets	**3,709.61**	**3,603.90**	**2.93%**
Interest-earning assets	**2,720.47**	**2,606.41**	**4.38%**
Including: Inclusive finance	**281.79**	**172.48**	**63.38%**
Industrial assets	**425.77**	**429.84**	**-0.95%**
Total liabilities	**3,106.68**	**3,029.13**	**2.56%**
Interest-bearing liabilities	**2,669.20**	**2,649.18**	**0.76%**
Total equity	**602.94**	**574.77**	**4.90%**
Equity attributable to ordinary shareholders	**519.42**	**489.90**	**6.03%**
Net assets per share (RMB/share)	**10.82**	**11.34**	**-4.59%**

Appendix: Condensed Income Statement

RMB'00 million	2025	2024	Change
Total revenue	**357.85**	**377.49**	**-5.20%**
Financial business*	**226.76**	**217.06**	**4.47%**
Including: Inclusive finance	**35.41**	**15.72**	**125.25%**
Industrial business*	**132.84**	**161.81**	**-17.90%**
Profit before tax	**80.32**	**80.21**	**0.14%**
Net profit attributable to ordinary shareholders of the parent	**38.89**	**38.62**	**0.67%**
EPS (RMB/share)	**0.87**	**0.92**	**-5.43%**
ROA	**1.09%**	**1.27%**	**-0.18pct**
ROE	**7.71%**	**7.80%**	**-0.09pct**

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

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1 Results Overview

2 **Business Analysis**

Highlights

1. Unique business model that transcends economic cycles

2. Prudent business strategy to achieve safe development

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

1. Unique business model that transcends economic cycles

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

- **Financial leasing business:** Leading in the industry with net IEAs of RMB272.0 billion
- **Equipment operation business (HCD):** China's leading equipment operation service provider, ranking among the top in the world, with assets of RMB36.3 billion
- **Hospital operation business (HH):** A large-scale private medical group based in third-, fourth- and fifth-tier cities, with 25 holding hospitals

Business Overview

	Financial leasing and customized financial services	Equipment operation (HCD)	Hospital operation (HH)
Industry status	• The largest independent financial leasing company in China*	• A leading comprehensive equipment operation service provider in China and among the top in the world	• A social capital-funded medical group in the first tier in China
Business model	• Provide comprehensive financial services for corporate clients. • Serve industrial upgrading and urban upgrading	• Provide comprehensive equipment operation services such as operating lease, engineering technology, and platform services	• Expand into third-, fourth- and fifth-tier cities • An effective complement to the public medical system
Operation scale	• Cumulative customers: **40,000+** • Cumulative investment: **RMB1+ trillion**	• Layout: **562** operation outlets • HCD customers: **400,000+**	• Beds: approximately **10,000** • Annual outpatient visits: **4,000,000+**

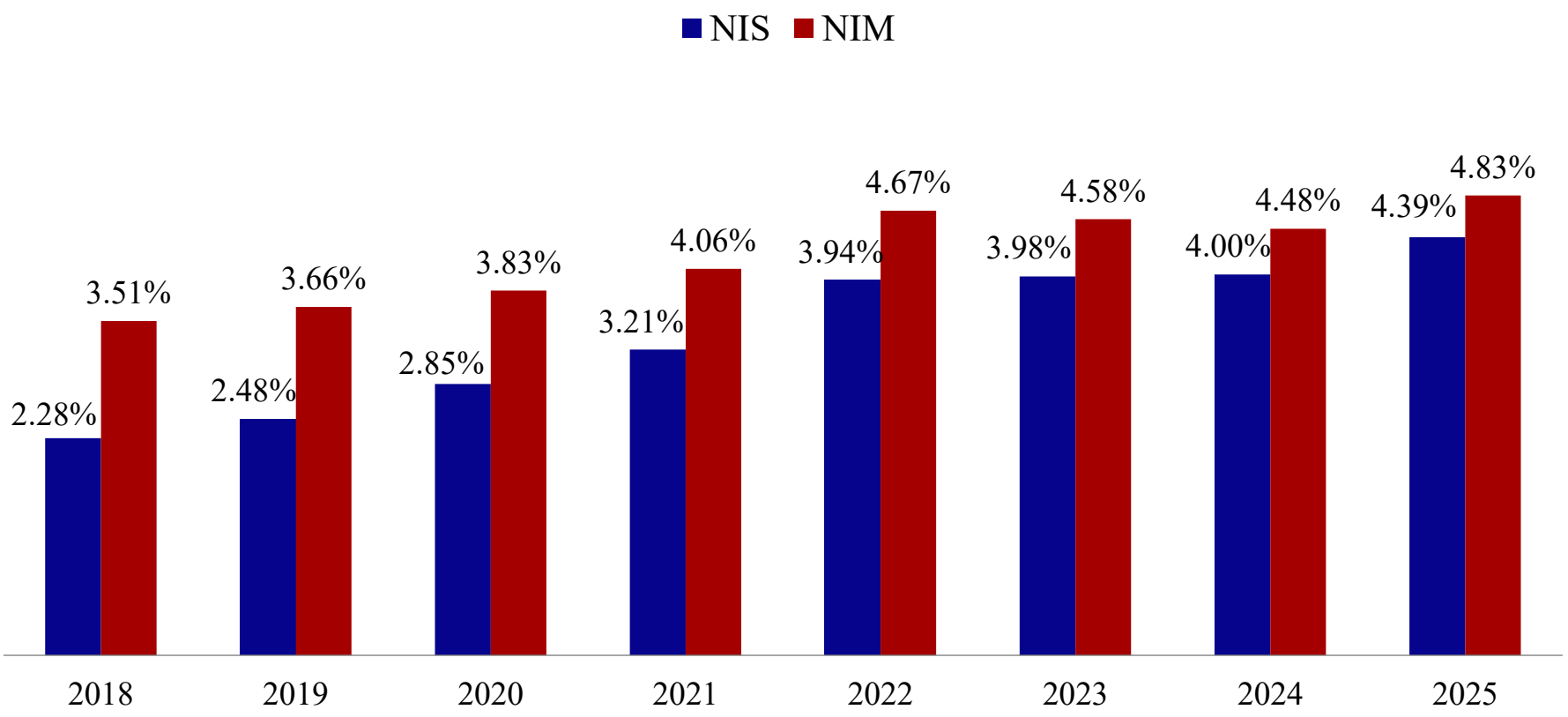
*Note: The above ranking is collected and organized by the Company based on information from listed and other publicly disclosed financial leasing companies

The scale of interest-bearing assets has grown steadily across cycles, and the continuous iteration of the business ecosystem has been validated by performance

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

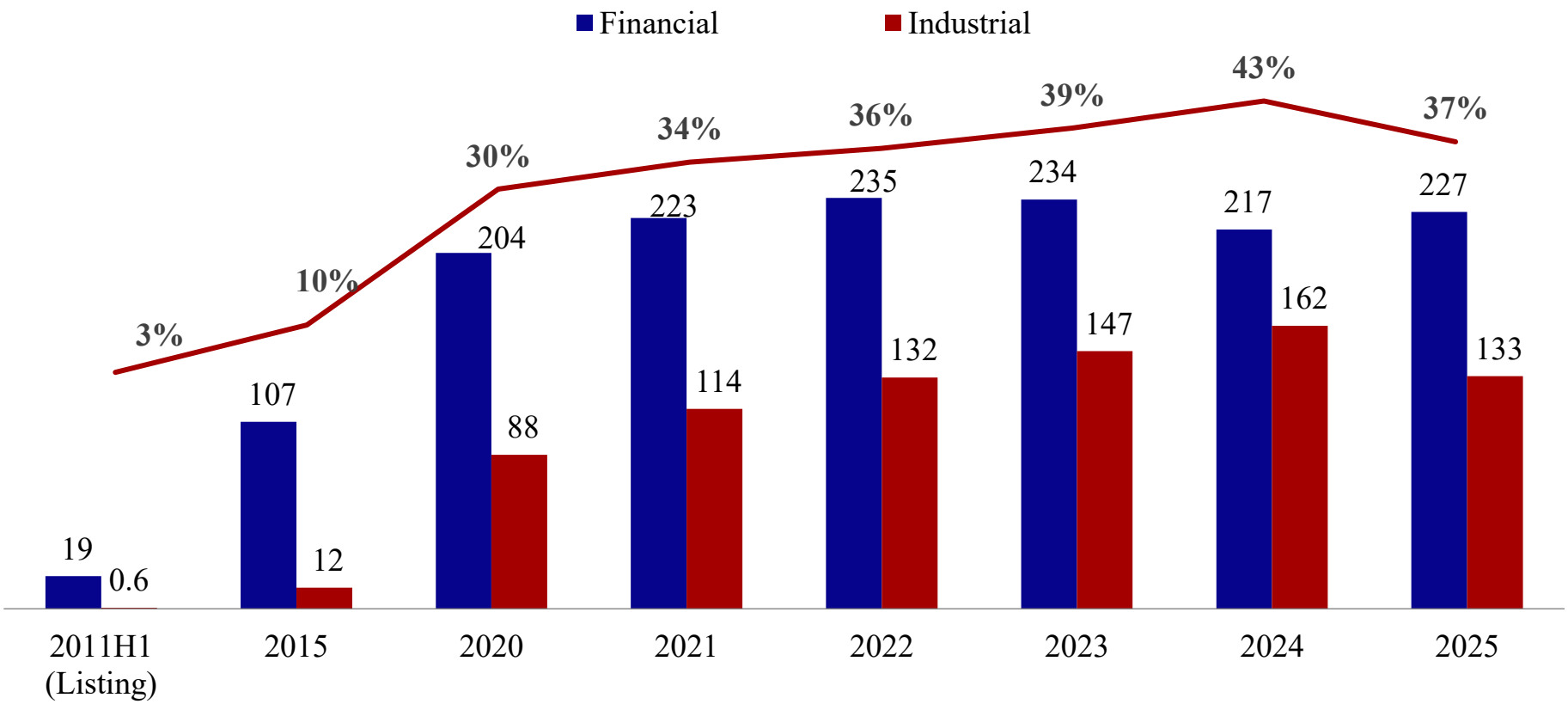
Excellent asset-liability management capabilities, with interest margin levels consistently maintained over the long term

NIS and NIM



Adhere to the "finance + industry" development strategy, and maintain a diversified financial structure in the long run

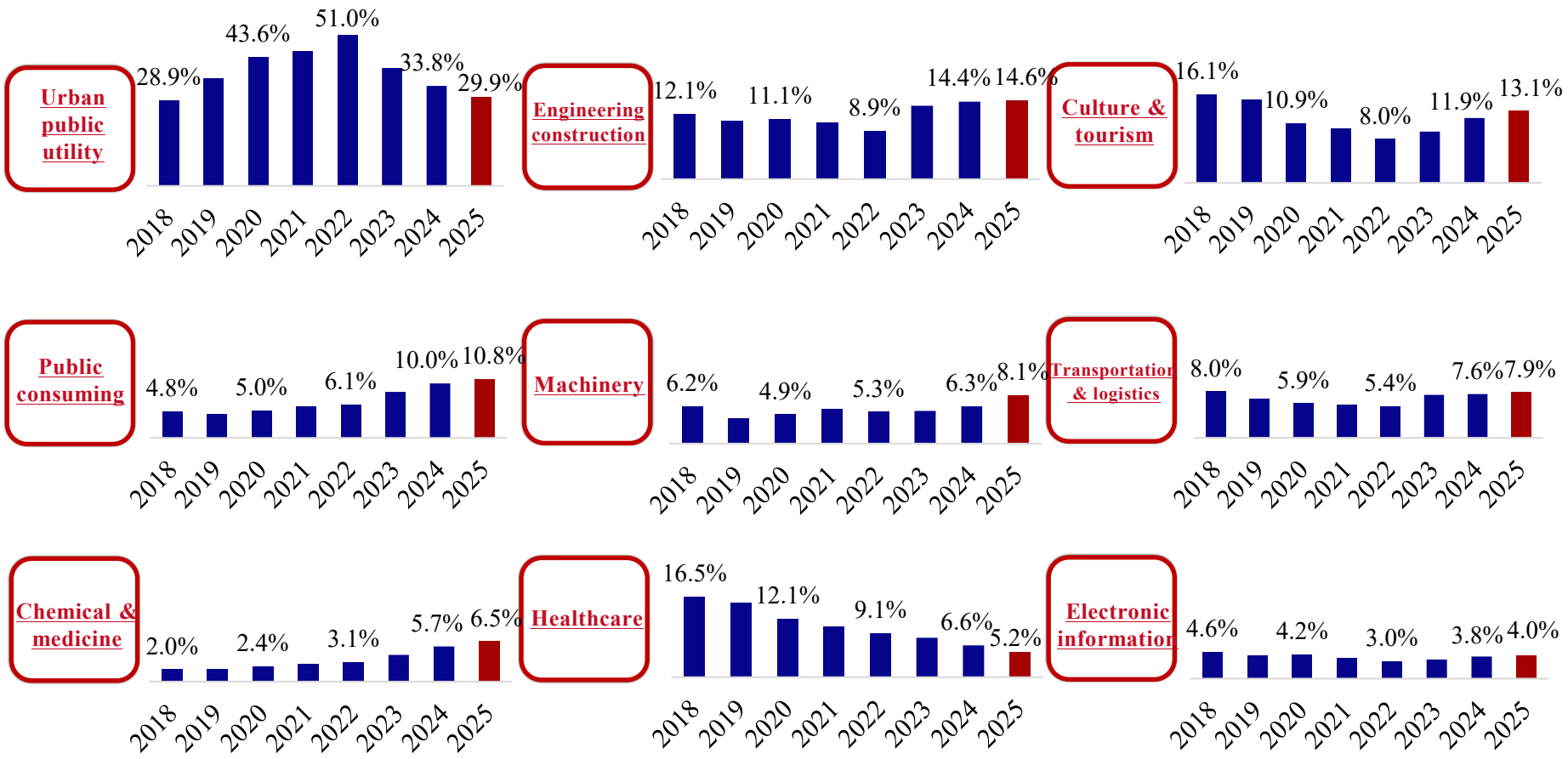
Historical segment revenue* and industry operation business revenue ratio (RMB'00 million)



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

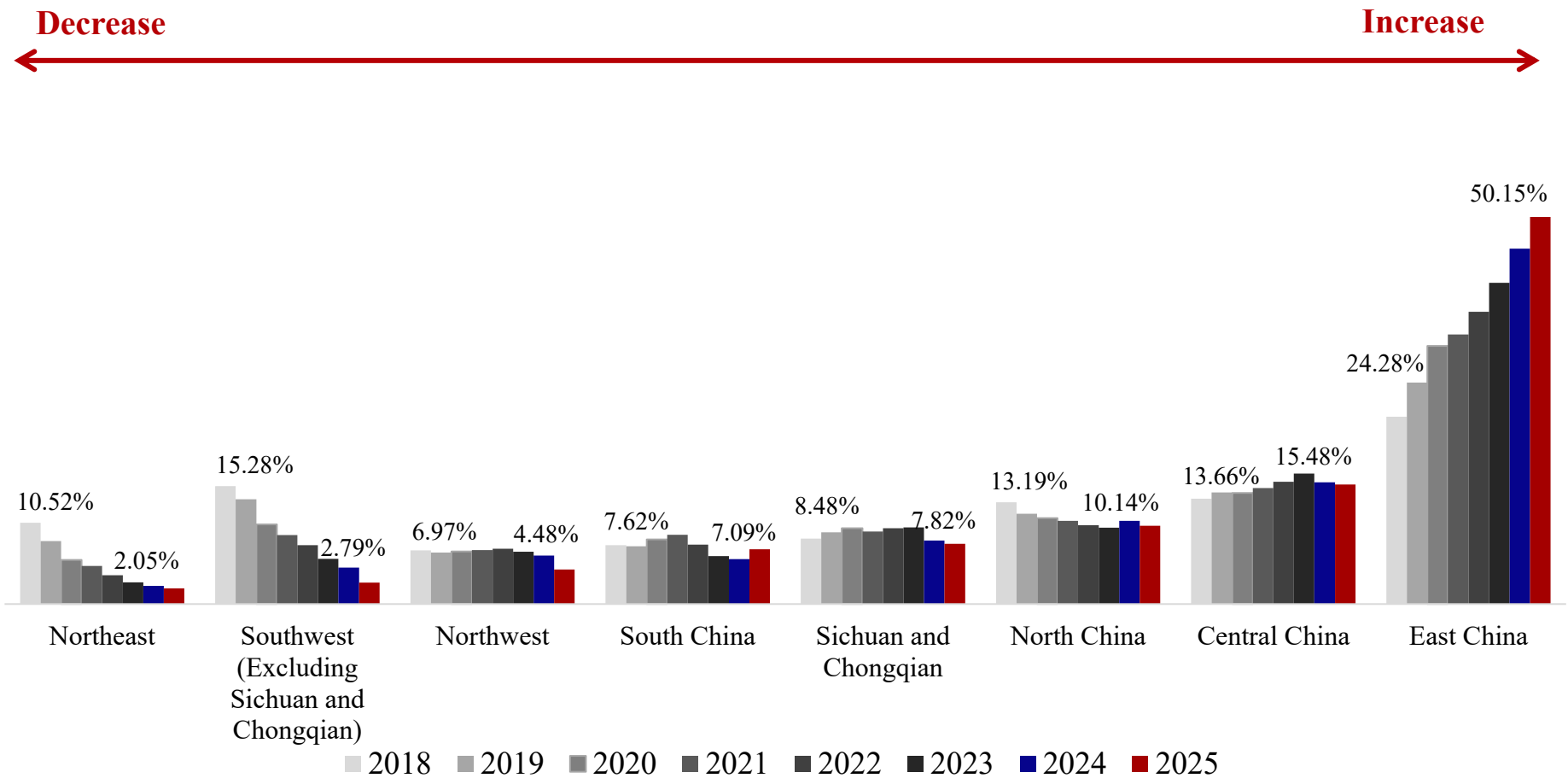
2. Prudent business strategy to achieve safe development

Industry distribution of IEAs



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

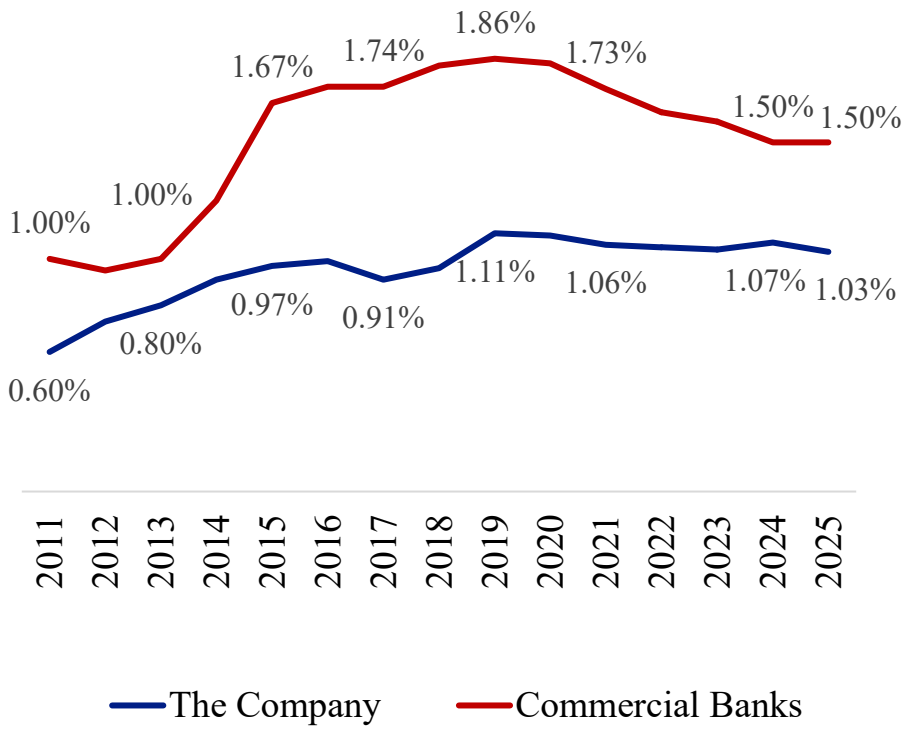
Regional distribution of IEAs



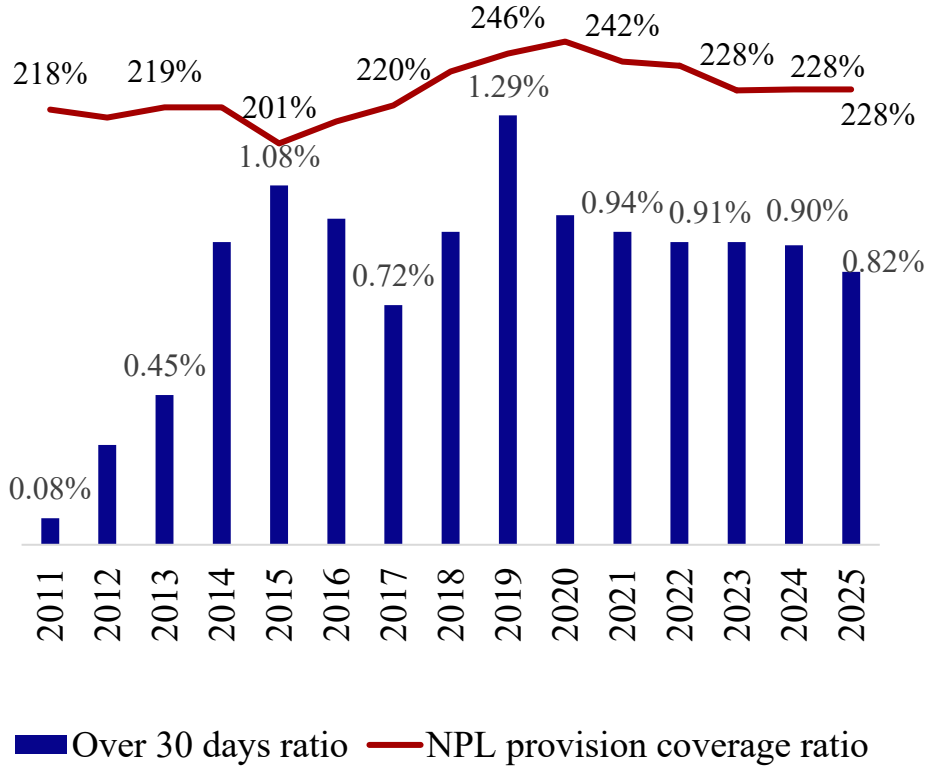
*Note: The data is sourced from internal statistics

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

NPL has maintained stable for a long time since listing



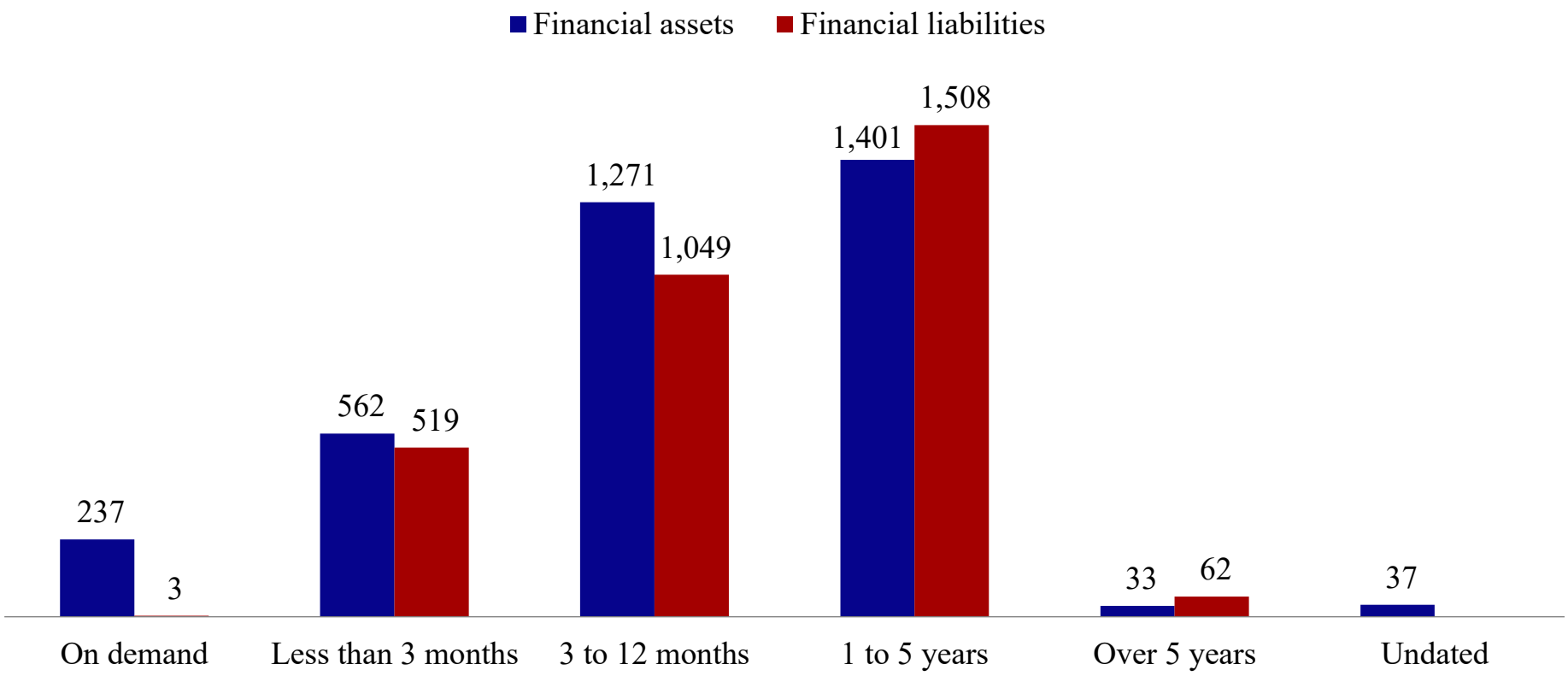
Over 30 days ratio and NPL provision coverage ratio remained stable



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

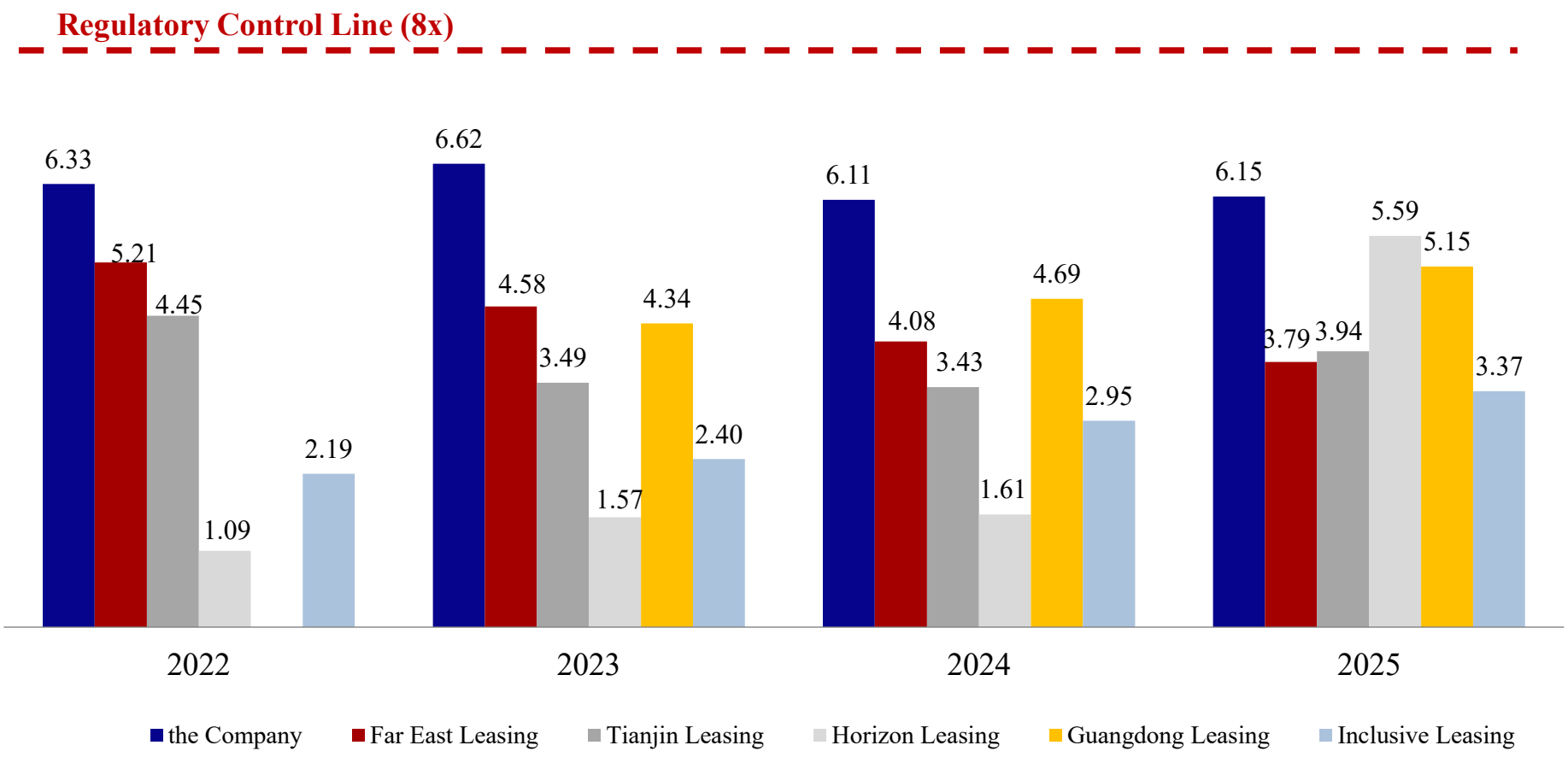
Reasonable matching of financial asset and financial liability maturity and balance liquidity safety and efficiency

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



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

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



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

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

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

Global Rating

BBB- By S&P

STANDARD & POOR'S

Domestic Rating

AAA By CCXI, Brilliance and United Credit Ratings

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

S&P Global

CSA rating score was **54** in 2025, ranks among the top in the global financial and capital market service industry

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

MSCI

Maintained **A** for many years, ranked in the forefront of financial institutions in China

CDP

Raised to **B** grade in 2025, above the industry average

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

Long-term and stable management achieved excellent performance

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

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

WANG Mingzhe
Executive director and CFO, joined in 1995

CAO Jian
Executive director and Senior Vice President joined in 2002

Managed the Company to achieve long-term outstanding performance

Stable Results

From listed in 2011 to 2025, key metrics keep growing at high CAGR

Asset 16%

Revenue 16%

Leading Position

As for now Position in industry

Net Asset No.1

Revenue No.1

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

Operating with long-term safety and stability and continuously creating value for all stakeholders

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

- Corporate clients served

cumulatively **40,000+**

- Funds issued to real economy

cumulatively **1 trillion+**

- Total number of global employees

nearly **20,000**

Cumulative taxes paid

50 Billion+

HONOR

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

HONOR

- Remaining at the forefront among corporate taxpayers in Tianjin

Awards

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

Forbes Global **2000**

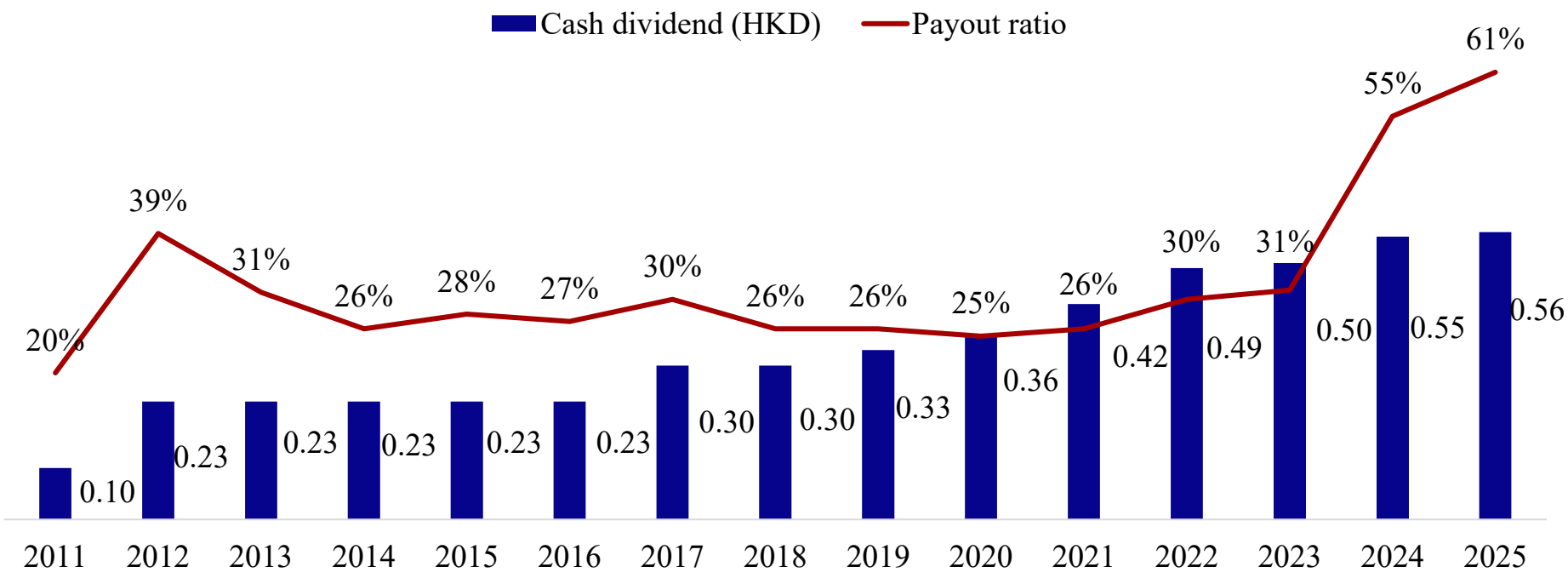
Fortune China **500**

*Note: The tax contribution is calculated based on the cumulative tax payment amount of all tax types and platforms from the establishment of the Group to December 31, 2025.

Continuously improving shareholder returns through multiple initiatives

- Since its listing, the total cash dividend paid has reached **HKD20 billion** (including 2025 final dividend), exceeding the amount of public equity financing after the Company's IPO and listing.
- The final dividend for 2025 is **HKD 0.31** per share, the total dividend paid for the year is **HKD 0.56** per share, and dividend payout ratio is approximately **61%**, with a steady increase compared to 2024. There is a solid foundation for maintaining a stable dividend payout ratio in the future, with room for further improvement.

Cash dividend amount and payout ratio over the years



Q & A

Contact us

Far East Horizon

Company Website：

www.fehorizon.com

Contact of Investor Relations：

ir@fehorizon.com

Horizon Construction Development

Horizon Healthcare