



Heng Fai Enterprises Limited
恒輝企業控股有限公司
Hong Kong Stock Exchange: 185

Heng Fai Enterprises Limited – GMR distributes maiden dividend & achieves annualised yield of 8.02%

HK-Listed Heng Fai Enterprises' U.S. Medical REIT GMR Achieves 8.02% Annualized Yield On Maiden Distribution; Announces GMR Share Consolidation

Hong Kong, 29 July 2014 – Heng Fai Enterprises Limited (“HFE” or the “Company”) announced today that its 99.5%-owned U.S.-listed Medical REIT subsidiary, Global Medical REIT Inc. (“GMR”), will distribute its first-ever monthly dividend exceeding the targeted higher-than-average annualized yield of 8% and plans to consolidate GMR’s shares on a one-to-400 basis.

GMR (*Stock Code – GMRE: OTCBB*) is building a medical real estate portfolio of specialized, high-acuity medical facilities with long-duration triple net leases (“**NNN**”), by which maintenance costs, insurance and property taxes are borne by the tenant, reducing the REIT’s operational costs.

Hong Kong Stock Exchange-listed HFE said that GMR has on 18 July 2014 declared a dividend amounting 0.0213 US cent per share (on pre-consolidation basis) for the month of June, representing 8.02% yield on an annualized basis.

GMR’s share consolidation is expected to reduce its issued share capital base from 100 million shares currently to 250,000 shares, representing an indicative price of US\$12.75 per consolidated share, which comprises HFE’s investment in GMR to date.

In June 2014, GMR acquired a 41,113 feet, 56-bed medical facility in Omaha, Nebraska, for US\$22.7 million. The medical facility is an operating acute care hospital, with annual rent increases and multiple options to renew on the same terms, connected to one of the U.S.’s largest non-profit healthcare systems with the highest of investment grade ratings.

GMR distributed a total of US\$21,300 for June 2014 and targets to consistently pay monthly distributions of at least 8.0% on an annualized basis, higher than the average of 5% payout of comparable Medical REITs in the U.S.

Apart from GMR, the Company also controls American Housing REIT Inc. (“**AHR**”) (*Stock Code – ONTG: OTCBB*), which owns a portfolio of single-family rentals (“**SFRs**”) in the U.S. AHR paid its first quarterly dividend in April 2014 with an annualized yield of 8.39% and expects to achieve the targeted 8% annualized yield in its second distribution this month.

HFE hopes to migrate both REITs to the NASDAQ main market by the end of the financial year ending 31 March 2015 (“**FY2015**”). GMR hopes to achieve a net asset value of approximately US\$400 million by then, while AHR – which has currently closed over 100 SFRs – targets to acquire 1,000 homes by the end of FY2015.

HFE had unveiled in December 2013 a corporate strategy that combines seeding and growing a portfolio of high-yield REITs and managing them to develop recurring income. To accelerate this new strategy, HFE is seeking a secondary listing on U.K.'s Alternative Investment Market (“AIM”) to raise additional capital.

HFE's Managing Chairman, Mr. Chan Heng Fai, said, “In view of the current U.S. property market cycle and the favourable demand for specialised healthcare facilities, we are confident that GMR will be able to consistently pay out higher-than-average targeted annualised yield in excess of 8%.”

“GMR is backed by a team of highly experienced professionals which has built a pipeline of deals that we are currently assessing, with a preference for high-acuity single-tenants committed to NNN leases. As both AHR and GMR grow in size, so will HFE's management fees. We hope to start earning meaningful management fees by FY2015 to create recurring revenue streams and thereby enhancing shareholder value,” he added.

The Company will make further announcements as and when there are material updates to the consolidation.

End of press release

Issued on behalf of the Company by WeR1 Consultants Pte Ltd:

Media & Investor Contact Information

WeR1 Consultants Pte Ltd

38A Circular Road

Singapore 049394 Tel: (65) 6737 4844, Fax: (65) 6737 4944

Amelia Lee, Amelia@wer1.net

Lai Kwok Kin, Laikkin@wer1.net

About Heng Fai Enterprises Limited

Heng Fai Enterprises Limited (“HFE” or the “Company”), formerly known as Xpress Group Limited, listed on the Hong Kong Stock Exchange in 1972 with a current market capitalisation of approximately HK\$1.3 billion (US\$167 million). The Chan family has majority control of the Company's share capital base.

The Company is led by directors with strong finance and property experience as well as an established track record in Wall Street, Hong Kong and Singapore.

Any forward-looking statements contained in this announcement are based upon AHR and GMR's current assumptions and expectations concerning future events and financial performance and are made pursuant to the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such statements are subject to significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements.