



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

Heng Fai Enterprises Ltd. – GMR's 2nd Acquisition – Orthopedic Surgery Centre in North Carolina

U.S.-Listed Global Medical REIT Acquires North Carolina Medical Facility For US\$2.52 Million; Orthopedic Surgery Centre Is Second Acquisition By Subsidiary of HK-Listed Heng Fai Enterprises



Hong Kong, 19 September 2014 – Hong Kong Stock Exchange-listed **Heng Fai Enterprises Ltd.** (“HFE” or the “Company”) announced today that its U.S.-listed REIT subsidiary, Global Medical REIT Inc. (“GMR”, *Stock Code – GMRE:OTCBB*), has acquired an Orthopedic Surgery Centre (“Centre”) in Asheville, North Carolina, for US\$2.52 million, marking GMR’s second acquisition to date as part of its strategy to deliver annualised yields in excess of 8%.

GMR said that the 8,840 square foot (“sq ft”) Centre is walking distance from Mission Hospital, one of the largest hospitals in North Carolina. Acquired with a triple net (“NNN”) long-term lease, it has three operating rooms, and provides highly specialised surgical services for podiatric, hand and spinal patients.

HFE had unveiled in December 2013 a new corporate strategy to own and manage a portfolio of REITs offering a higher-than-average annualised dividend yield in excess of 8%, including the 99.5%-owned GMR. HFE expects to start receiving meaningful management fees in the financial year ending 31 March 2015 (“FY2015”).

The acquisition – funded by cash and borrowings - is in line with GMR’s strategy to build a medical real estate portfolio of specialised high-acuity single-tenant medical facilities with long-term NNN leases. The Centre’s tenant, Symbion Healthcare, is a leading provider of specialised healthcare services with over 50 surgical centres in the U.S.

GMR – which has been consistently paying monthly dividends with an annualised yield in excess of 8% since July 2014 – also owns a 41,113 sq ft long-term acute care hospital in Omaha, Nebraska, which it acquired in June 2014 for US\$22.7 million.

On the acquisition, Mr. David Young, GMR's Chief Executive Officer, said, "We believe the Centre is an excellent property with contractual terms agreed for high returns. GMR will continue to leverage on our deep experience and contacts within the medical real estate community to enable us to acquire properties at fair value and on favourable terms."

Apart from GMR, HFE also owns 99.6% of U.S. OTCBB-listed American Housing REIT Inc. ("AHR", *Stock Code – ONTG:OTCBB*) that owns over 100 selectively acquired quality single-family rentals, distributing quarterly dividends with an annualised yield above 8%.

These REITs are managed by 85% HFE-owned Inter-American Management LLC, which derives fees of approximately 2.0% of the REIT's portfolio value plus incentive income for performance.

By FY2015, HFE hopes to migrate both REITs to the NASDAQ main market, grow AHR's portfolio to 1,000 homes, and GMR's net asset value to approximately US\$400 million. HFE is concurrently seeking a secondary listing on U.K.'s AIM market, tapping into the equities market to raise additional capital for its strategies.

HFE's Managing Chairman, Mr. Chan Heng Fai, said, "Our new REIT ownership and management strategy has been advancing rapidly, consistently paying a higher dividend yield compared to industry peers as a result of its unique business model. We hope to grow both REITs significantly to derive recurring yields as well as REIT management fees to enhance shareholder value."

End of press release

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

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About Heng Fai Enterprises Ltd.

Heng Fai Enterprises Limited listed on the Hong Kong Stock Exchange in 1972 with a current market capitalisation of approximately HK\$970 million (US\$125 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 press release 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.