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Heng Fai Enterprises Limited
恒輝企業控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

VOLUNTARY ANNOUNCEMENT

The Board of Directors (the “**Board**”) of Heng Fai Enterprises Limited (the “**Company**”, together with its subsidiaries as “**Group**”) is pleased to announce that its 99.8%-owned U.S.-listed REIT subsidiary American Housing REIT Inc. (“**AHR**”) (*Stock Code – ONTG: OTCBB*) has achieved the target 8.0% annualised yield on its second quarterly distribution and completed a one-to-150 share consolidation exercise.

AHR – which owns a portfolio of single-family rentals (“**SFRs**”) primarily in Texas – has paid a dividend amounting 24.315 U.S. cents per share on a post-consolidation basis for the April-June 2014 quarter (“**Q2-2014**”), bringing the total amount disbursed to US\$122,840.

Following the consolidation, AHR’s share capital base reduced to 505,203 consolidated shares from 75.8 million shares previously, representing an indicative price of US\$12.158 per consolidated share, comprising HFE’s investment in AHR to date.

To finance AHR’s plans to expand its current portfolio of 100 SFRs to 1,000 by the end of the financial year ending 31 March 2015 (“**FY2015**”), the Group has injected US\$5.6 million into the REIT as working capital in Q2-2014.

Half of these funds were treated as a contribution to AHR's capital and were converted into 231,257 unregistered and consolidated AHR common shares, while the rest were provided to AHR as unsecured promissory notes at an annual interest rate of 4.0%. These notes are effective from 30 June 2014 and are payable on demand.

The Company also controls Global Medical REIT Inc. ("GMR") (*Stock Code – GMRE: OTCBB*), which owns a medical facility in Omaha, Nebraska, and has in July 2014 delivered its maiden monthly dividends and achieved an annualised yield in excess of 8.0%.

GMR plans to build up a portfolio of high-acuity medical assets with long-duration triple net leases – whereby maintenance costs, insurance and property taxes are borne by the tenant – and targets to achieve a net asset value of about US\$400 million by the end of FY2015.

The Company hopes to migrate both REITs to the NASDAQ main market by the end of FY2015, and thereafter seek individual secondary listings on international exchanges to raise additional capital to fund its growth. To accelerate its REITs management strategy, the Company has also announced its intention for a proposed secondary listing on the U.K. Alternative Investment Market to strengthen its balance sheet and raise its investor profile internationally.

Managing Chairman of the Company, Mr. Chan Heng Fai, said: *“Even though the REITs are still in their early days, their ability to generate higher-than-average 8.0% annualised dividend yield is testament that our unique management model and strategies works. As the REITs grow in size and reap economies of scale, we are confident that both AHR and GMR will continue to deliver the targeted yield consistently.”*

“The share consolidation paves the way for the REITs’ eventual listing on the NASDAQ main market. We believe that the Company will derive meaningful dividend and management income as both AHR and GMR grow in size, in line with our game-changer strategy to enhance shareholder value,” he added.

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About Heng Fai Enterprises Limited

Heng Fai Enterprises Limited, 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\$163 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.

By Order of the Board
Heng Fai Enterprises Limited
Chan Tong Wan
Managing Director

Hong Kong SAR, 6 August 2014

As at the date of this announcement, the executive Directors are Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow; the non-executive Directors are Dr. Lam, Lee G., Mr. Fong Kwok Jen and Dr. Lam Wing Kwan and the independent non-executive Directors are Mr. Tan Choon Seng, Mr. Wong Tat Keung, Mr. Wong Dor Luk, Peter and Mr. Chan King Fai.

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. All information provided in this announcement is as of the date of this announcement, and AHR and GMR do not undertake any obligation to update any forward-looking statement, except as required under applicable law.