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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 (“**Board**”) of directors (“**Directors**”) of Heng Fai Enterprises Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide a business update on its U.S. real estate development arm – Inter-American Development, LLC (“**IAD**”), a wholly owned subsidiary of Inter-American Group Holdings Inc (“**IA**”) that the Group holds 85%-equity stake – as follows:

Following the disposal of a SGX Catalist-listed subsidiary that had provided the bulk of the Group’s property development income, the Group, via IAD, intends to pursue real estate development in the United States which it believes will offer significant potential in view of the positive market cycle. IAD has identified several real estate projects for which it can either provide project management services, carry out land sub-division or act as master developer of anchor projects.

IAD has recently entered into an agreement with an Asia-based property developer to collaborate on a land sub-division project. IAD will take on the role of development manager for a 136-acre parcel of land in Houston, Texas, and derive fees to provide management, operational and administrative services for the project.

IAD will be led by Chief Development Officer, Mr. Charles W.S. MacKenzie (“Mr. MacKenzie”), who has almost two decades of experience in the U.S. real estate industry. Prior to joining IAD, Mr. MacKenzie worked extensively with property owners, developers, general contractors and tenants to develop over 650,000 square feet of office and retail projects. Including development-consulting services provided to third-parties over the years, his portfolio is valued at over US\$100 million. Mr. MacKenzie is also a limited partner in over

two million square feet of office, retail, flex and multi-family projects as well in the development of multiple successful residential communities.

The Managing Chairman of the Company, Mr. Chan Heng Fai, said: *“In view of the current U.S. property market cycle and economic recovery, we expect rental and capital values to grow, especially in several key states. With an experienced IAD management team, we are starting to build a solid pipeline of projects which will strengthen HFE’s development business segment.”*

“HFE will combine its rich experience in property development and investment – over 40 years, mostly in Asia – with that of the IAD team to develop this segment as a second pillar of growth for HFE, complementing the current REIT ownership and management,” he added.

Mr. MacKenzie said: *“With our deep experience in the U.S. real estate market, our management team is able to source, evaluate and execute complex deals within a short time frame and align interests with partners as we capture exciting opportunities that can enhance returns for IAD and HFE.”*

Apart from property development, IA’s other key role will be the fee-based management of at least two U.S.-listed Real Estate Investment Trusts (“REITs”) – American Housing REIT, Inc. (comprising a portfolio of single-family rentals) and Global Medical REIT, Inc. (which is acquiring U.S. medical assets). Both REITs target to distribute at least 8% yield per annum on an annualized basis. IA will derive recurring fees based on approximately 1.5% to 2.0% of the two REITs’ assets under management.

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

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About Heng Fai Enterprises Limited

Heng Fai Enterprises Limited, formerly known as Xpress Group Limited, has been listed on the Hong Kong Stock Exchange since 1972 and has a current market capitalisation of approximately HK\$1.4 billion (US\$176.7 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 on Wall Street, and in Hong Kong and Singapore.

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

Hong Kong SAR, 14 July 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 Mr. Fong Kwok Jen and Mr. Teh Wing Kwan and the independent non-executive Directors are Mr. Chan King Fai, Mr. Tan Choon Seng, Mr. Wong Dor Luk, Peter and Mr. Wong Tat Keung.