

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or a solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities. This announcement is not an offer of securities for sale in Hong Kong or elsewhere. None of the Bonds will be offered to the public in Hong Kong or elsewhere.



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

*(Incorporated in Hong Kong with limited liability)
(Stock Code: 185)*

PROPOSED ISSUE OF UP TO HK\$500,000,000 BONDS

Placing Agent
BMI Securities Limited

BM INTELLIGENCE
邦 盟 滙 駿

On 9 December 2014, the Company entered into the Placing Agreement with BMI, whereby the Company has agreed to issue and BMI has agreed, on a best efforts basis, to act as placing agent to procure subscribers to subscribe for the Bonds of up to HK\$500,000,000 in principal amount.

The maximum gross proceeds from the Bonds Issue will be HK\$500,000,000. The Group intends to use the proceeds for general working capital.

The Bonds will not be listed on any stock exchange. None of the Bonds will be offered to the public in Hong Kong.

The issue of the Bonds will be subject to the specific terms of each tranche of issue, which are to be determined separately by the Company, the subscriber(s) and BMI. The issue of the Bonds may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

The Directors are pleased to announce that on 9 December 2014, the Company entered into the Placing Agreement with BMI in relation to the issue of the Bonds.

THE PLACING AGREEMENT

Date: 9 December 2014

Parties to the Placing Agreement

- (a) the Company, as issuer of the Bonds
- (b) BMI, as placing agent in respect of the Bonds Issue

Pursuant to the Placing Agreement, BMI has agreed to act as placing agent (either by itself or through its sub-placing agents) for the purpose of procuring subscribers to subscribe for the Bonds on a best efforts basis. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of BMI and its ultimate beneficial owners is an independent third party and is not a connected person of the Company. None of the Bonds will be offered to the public in Hong Kong.

BMI will use its best endeavours (with commercially reasonable assistance from the Company) to ensure that the placees and their ultimate beneficial owners will not be connected persons of the Company, and will be third parties independent of, and not connected with the Company, the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates.

Termination of the Placing Agreement

BMI has rights to terminate the Placing Agreement upon the occurrence of the following events:

- (a) a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing;
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;
- (c) there is any adverse change in the financial position of the Company which is material in the context of the Placing; or
- (d) any material breach of any of the warranties given by the Company under the Placing Agreement or the occurrence of any event which, if occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or a material breach by the Company of any other provision of the Placing Agreement.

Completion of the Placing

The Bonds may be issued in any tranches of at least HK\$1,000,000 in principal amount of each tranche during the Placing Period.

PRINCIPAL TERMS OF THE BONDS

Status of Bonds	:	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company
Maximum principal amount	:	HK\$500,000,000
Interest rate	:	From their respective dates of issue at 5.5% to 7.5% per annum, payable semi-annually in arrears.
Term of the Bonds	:	From 3 years to 8 years
Denomination	:	Hong Kong dollars
Issue price	:	100% of the principal amount
Denomination	:	HK\$1,000,000 each or integral multiples thereof
Redemption	:	<ul style="list-style-type: none">– No early redemption by the bondholder– The Company may redeem the Bonds at any time from its issue date to the maturity date by serving notice to the bondholder at an amount equal to the principal amount plus the interest accrued and other payments become due– Upon the occurrence of an event of default, the Bonds may be mandatorily redeemed
Maturity	:	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount with any interest or other payment accrued and unpaid thereon on the day immediately preceding the third to eighth anniversary of their respective dates of issue
Transferability	:	The Bonds may be freely transferred in whole or in part with the prior written consent of the Company
Target bondholders	:	Professional investors as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

- Listing and public offer : The Bonds will not be listed on any stock exchange and will not be offered to the public in Hong Kong or elsewhere
- Placing Period : The Bonds will be issued by the Company from 9 December 2014 to 8 December 2016 (the “**Placing Period**”) and in such number of tranches as any Director sees fit and proper. For the avoidance of doubt, no further Bonds shall be issued upon expiry of the Placing Period unless approved otherwise by the board of Directors

Subject to the above framework and terms, the specific terms of each tranche of the issue of the Bonds (including the Placing commission) will be separately agreed by the Company, the subscriber(s) and BMI.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company was incorporated in the Hong Kong with limited liability. The Company is an investment holding company and its subsidiaries are principally engaged in property development, property investment and trading, REIT and Property Development Management, hotel operations and securities trading and investment. The Directors consider that the issue of the Bonds provides the Company an opportunity to raise long term debt for the Company to increase the liquidity of the Group.

The maximum gross proceeds from the Bonds Issue will be HK\$500,000,000 assuming that the Bonds are fully placed by BMI during the Placing Period. The maximum net proceeds from the issue of the Bonds, after the deduction of the commission and other related costs and expenses, are estimated to be approximately HK\$450,000,000. The Group intends to use the proceeds for general working capital of the Group.

The issue of the Bonds will be subject to the specific terms of each tranche of issue, which are to be determined separately by the Company, the subscriber(s) and BMI. The issue of the Bonds may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

LISTING

The Bonds will not be listed on any stock exchange.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“BMI”	BMI Securities Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) permitted to carry out type 1 (dealing in securities) regulated activities (as defined under the Securities and Futures Ordinance)
“Board”	the board of Directors of the Company
“Bonds”	such number of series of 5.5% to 7.5% bonds in an aggregate principal amount of up to HK\$500,000,000 due on the day immediately preceding the third to eight anniversary of their respective date(s) to be issued by the Company
“Bondholder(s)”	holder(s) of the Bonds from time to time
“Bonds Issue”	issue of the Bonds by the Company
“Company”	Heng Fai Enterprises Limited, a company incorporated in Hong Kong, the shares of which are listed on Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules, as extended under Chapter 14A of the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of the Bonds pursuant to the terms set out in the Placing Agreement
“Placing Agreement”	the placing agreement dated 9 December 2014 between the Company and BMI in relation to the Placing

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong SAR, 9 December 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. and Mr. Fong Kwok Jen and the independent non-executive Directors are Mr. Wong Tat Keung, Mr. Wong Dor Luk, Peter and Mr. Chan King Fai.