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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)

OVERSEAS REGULATORY ANNOUNCEMENT
RESULTS OF A SUBSIDIARY

THIS IS NOT THE ANNOUNCEMENT OF THE FINANCIAL RESULTS OF HENG FAI ENTERPRISES LIMITED (THE “COMPANY”). THIS ANNOUNCEMENT IS MADE BY THE COMPANY PURSUANT TO RULE 13.10B OF THE LISTING RULES TO PROVIDE SHAREHOLDERS OF THE COMPANY WITH FINANCIAL INFORMATION ON A LISTED SUBSIDIARY OF THE COMPANY, GLOBAL MEDICAL REIT INC., WHICH HAS ANNOUNCED ITS AUDITED FINANCIAL RESULTS FOR THE FOUR MONTHS ENDED 31 DECEMBER 2014.

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Global Medical REIT, Inc. (“GMR”), a subsidiary company of the Company whose shares are traded on the Over-The-Counter in the United States of America, has announced the audited financial results for the four months ended 31 December 2014.

GMR changed its fiscal year from August 31 to the calendar twelve months ending December 31, effective beginning with the year ended December 31, 2014. As a result its current fiscal period was shortened from twelve months to a four-month transition period that ended on December 31, 2014. In connection with its change in reporting period it reported its first quarter results as the three months ended November 30, 2014, under its previous fiscal reporting timing. This change in fiscal year is required based upon GMR’s intention to qualify and be taxed as a real estate investment trust (“REIT”) for federal income tax purposes, which will also facilitate the GMR’s intention to migrate its listing status to the NASDAQ main market.

The summary of the audited financial results of the GMR for the four months ended 31 December 2014 together with the unaudited comparative figures for the corresponding period of last year are provided below:

INCOME STATEMENT	4 months ended 31 December 2014 (audited) US\$	4 months ended 31 December 2013 (unaudited) US\$	% Change
Revenue	596,656	-	N.M
EBITDA from established businesses ¹	245,326	-	N.M
Depreciation and amortization	(200,499)	-	N.M
Interest	(454,697)	-	N.M
Loss before taxation	(409,870)	(12,182)	3265%
Taxation	-	-	N.M
Loss for the period	(409,870)	(12,182)	3265%
Funds from operation (“FFO”)	(209,371)	(12,182)	1619%

BALANCE SHEET	As at 31 December 2014 US\$	As at 31 August 2014 US\$	% Change
Total assets	24,640,068	22,244,759	10.8%
Total liabilities	(22,913,829)	(20,023,450)	14.4%
Total equity	1,726,239	2,221,309	-22.3%
No. of shares outstanding	250,000	250,000	0%
Net asset value per share ²	6.90	8.89	-22.4%

N.M: Not meaningful

Notes:

- On 10 November, 2014 GMR entered into a Management Agreement, with an effective date of April 1, 2014, with Inter-American Management, LLC (“IAM”), a subsidiary of the Company. Under the terms of the Management Agreement, IAM is responsible for designing and implementing GMR’s business strategy and administering its business activities and day-to-day operations. For performing these services, GMR will pay IAM 8% of rental revenue for property management services and a base management fee equal to the greater of (a) 2.0% per annum of the GMR’s net asset value, or (b) US\$30,000 per calendar month. For the 4 months ended December 31, 2014, management fees charged by IAM was US\$120,000. Additionally, GMR expensed US\$48,400 that was paid to IAM related to the acquisition of the Asheville facility in September 2014.*
- On November 7, 2014, GMR effected a share consolidation of the outstanding shares of its common stock at the ratio of 1-for-400 (the “Share Consolidation”). All references to shares of GMR’s common stock in this announcement refers to the number of shares of common stock after giving effect to the Share Consolidation (unless otherwise indicated).*

During the four months ended 31 December 2014, GMR distributed four monthly dividends beginning from its first monthly dividend in July 2014, an aggregate of US\$0.3408 per share (total dividend paid amounted to US\$85,200), which has achieved the targeted 8.0% annualized yield.

Subsequent to the previous financial year ended 31 August 2014, GMR has consistently distributed monthly dividends to its shareholders with annualized yield over 8.0%.

The consistent dividend payment track record to date underscores the validity of the business model of GMR which has to date acquired an acute care hospital in Omaha and an orthopedic surgery center in North Carolina. Both acquisitions by GMR have begun contributions to Funds From Operations for GMR. GMR has been able to sustain an annualized dividend yield of approximately 8.0% even as it contemplates its migration to the NASDAQ main market, an event which will allow GMR to tap institutional funds to expand its asset base and leverage potential. The latter will, in turn, amplify REIT management fees to be earned by the Company's 85%-held subsidiary, Inter American Management, LLC, which will contribute positively to the income and shareholder value of Heng Fai Enterprises.

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

Hong Kong SAR, 23 March, 2015

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.

Any forward-looking statements contained in this announcement are based upon Global Medical REIT'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 Global Medical REIT does not undertake any obligation to update any forward-looking statement, except as required under applicable law.