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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, AMERICAN HOUSING REIT INC., WHICH HAS ANNOUNCED ITS AUDITED FINANCIAL RESULTS FOR THE THREE-MONTH TRANSITION PERIOD 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.

American Housing REIT, Inc. (“AHR”), 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 three months ended 31 December 2014.

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

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

INCOME STATEMENT	3 months ended 31 December 2014 (audited) US\$	3 months ended 31 December 2013 (unaudited) US\$
Revenue	420,614	35,986
EBITDA from established businesses ¹	65,890	14,803
Depreciation and amortization	(85,425)	(6,896)
Interest	(106,295)	-
(Loss) profit before taxation	(125,830)	7,907
Taxation	(18,200)	(1,600)
(Loss) profit for the period	(144,030)	6,307
Funds from operation (“FFO”)	(58,605)	13,203

BALANCE SHEET	As at 31 December 2014 US\$	As at 30 September 2014 US\$	% Change
Total assets	15,430,662	15,520,449	-0.6%
Total liabilities	(8,878,667)	(10,136,619)	-12.4%
Total equity	6,551,995	5,383,830	21.7%
No. of shares outstanding	625,690	505,199	23.9%
Net asset value per share ²	10.47	10.66	-1.7%

Notes:

1. On 21 November, 2014 AHR 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 AHR’s business strategy and administering its business activities and day-to-day operations. For performing these services, AHR will pay IAM 8% of rental revenue for property management services and a base management fee equal to the greater of (a) 1.5% per annum of the AHR’s net asset value, or (b) US\$20,000 per calendar month. For the 3 months ended December 31, 2014, management fees charged by IAM was US\$60,000.
2. On 18 July, 2014, AHR effected a share consolidation of the outstanding shares of its common stock at the ratio of 1-for-150 (the “Share Consolidation”). All references to shares of AHR’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 three months ended 31 December 2014, AHR distributed a quarterly dividend beginning from its first quarterly dividend in April 2014, of US\$0.24315 per share (total dividend paid amounted to US\$152,668), which has achieved the targeted 8.0% annualized yield.

Subsequent to the previous financial year ended 30 September 2014, AHR has consistently distributed quarterly 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 AHR which has been increasing its portfolio of single-family homes. AHR 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 AHR 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, IAM, 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, 2 April, 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 AHR'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 does not undertake any obligation to update any forward-looking statement, except as required under applicable law.