

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.



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
ACQUISITION OF LAND
AND
FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER**

ACQUISITION OF LAND

The Board is pleased to announce that on 12 August 2015, Henan Changhui, an indirect wholly-owned subsidiary of the Company, made a successful bid for the land use right of the Land Parcel located in northwest region in Zhengzhou City, Henan Province through auction for RMB95,780,000. The Land Parcel has a total site area of 34,438.75 sq.m. with a plot ratio between 1.0 and 2.0.

FINANCIAL ASSISTANCE

The Board further announces that on 13 August 2015, Zensun entered into a loan agreement with Henan Changhui to provide Financial Support to Henan Changhui up to a maximum amount of RMB150,000,000 for a duration of one year.

ACQUISITION OF LAND

The board (“**Board**”) of directors (“**Directors**”) of Heng Fai Enterprises Limited (“**Company**”) is pleased to announce that on 12 August 2015, 河南昌輝企業管理諮詢有限公司 (“**Henan Changhui**”), an indirect wholly-owned subsidiary of the Company, made a successful bid for the land use right of a land parcel No. (2015) 39 in Zhengzhou City, Henan Province (“**Land Parcel**”) in a listing for sale process held by Zhengzhou City Land and Resources Bureau (鄭州市國土資源局) for transfer of state-owned land use right for RMB95,780,000. The Land Parcel is located at the northwest region of Zhengzhou City with a site area of 34,438.75 sq.m. and a permitted plot ratio between 1.0 and 2.0.

The Land Parcel is designated for residential usage with the term for 70 years.

The Company and its subsidiaries (“**Group**”) are principally engaged in property development, property investment and trading, hotel operations and securities trading and investment. As stated in the Group’s annual report for the year ended 31 March 2015, it is part of the Group’s strategy to explore business and development opportunity in China. In view of the location, the property development experience of the management team of the Company and the designated use of the Land Parcel, the Directors consider that the acquisition of the Land Parcel presents a decent starting point for the Group’s development plan in China. The Directors (including independent non-executive Directors) further consider that the acquisition is a transaction of revenue nature and is carried out in the ordinary and usual course of business and is on normal commercial terms, which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER

On 13 August 2015, Zensun Real Estate Co., Ltd (“**Zensun**”), a company ultimately controlled by Ms. Huang Yanping who is a Director and controlling shareholder of the Company, entered into a loan agreement (“**Loan Agreement**”) with Henan Changhui pursuant to which Zensun has agreed to provide, upon Henan Changhui’s request, unsecured loan(s) up to a maximum aggregate amount of RMB150,000,000 for a duration of one year from the date of the Loan Agreement (“**Financial Support**”). Such loan(s) will be available for drawdown by Henan Changhui in accordance with actual needs within one year from the date of the Loan Agreement at an interest rate of 4% per annum on the loan(s) actually drawdown or such other interest rate that Henan Changhui is able to borrow in an amount equal to the relevant loan from a bank or a financial institution, whichever is the lower. The proceeds from the Financial Support will be used to finance the property development projects of Henan Changhui in the future.

As Ms. Huang Yanping is a Director and controlling shareholder of the Company, the Financing Support will constitute a connected transaction in the form of financial assistance from Zensun in favour of Henan Changhui. However, as the Financial Support is not secured by any assets of the Group, and as the Directors consider that the Financial Support is on normal commercial terms or better, the Financial Support is fully-exempted from shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited.

The Company will continue to seek viable business opportunities in accordance with its overall strategy. The Company will make use of the Group’s financial, human and technological resources to enhance its portfolio, asset base and brand image.

By Order of the Board
Heng Fai Enterprises Limited
Zhang Jingguo
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 13 August, 2015

As at the date of this announcement, the executive Directors are Mr. Zhang Jingguo, Mr. Zhang Guoqiang, Mr. Eric Jackson Chang; the non-executive Director is Ms. Huang Yanping and the independent non-executive Directors are Mr. Liu Da, Dr. Liu Qiao and Mr. Ma Yuntao.