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

(formerly known as Xpress Group Limited 特速集團有限公司)
(Incorporated in Hong Kong with limited liability)
(Stock Code: 185)

VOLUNTARY ANNOUNCEMENT
LETTER OF INTENT FOR ACQUISITION OF MEDICAL FACILITY

The board (the “**Board**”) of directors (the “**Directors**”) of Heng Fai Enterprises Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) is pleased to announce that Global Medical REIT, Inc. (“**GMR**”), an approximately 94%-owned subsidiary of the Company, has entered into a non-binding offer letter setting out the intent of the parties (the “**LOI**”) with an independent third party as seller (the “**Seller**”). Pursuant to the LOI, it is proposed that the Seller may sell and GMR may acquire a licensed medical facility, a long-term acute care hospital in Omaha, United States, for approximately US\$21.7 million (approximately HK\$168.4 million) (the “**Proposed Transaction**”), a five-year-old 41,113 square foot hospital building (the “**Medical Facility**”) from the original developer. The building has 10 years remaining on its lease with annual rent increases and multiple options to renew on same terms. The hospital operator and tenant is Select Medical Corporation, a New York Stock Exchange-listed company that manages nearly one hundred American hospitals. The 56-bed facility serves patients with prolonged serious medical conditions who require intense and special treatment longer than 25 days.

The Medical Facility is connected to the Bergan Mercy Medical Center, a 400-bed Catholic hospital run by one of the largest non-profit healthcare system in the United States and having the highest investment-grade credit ratings by Moody’s (A1), S&P (A+) and Fitch (A+).

The parties intend to enter into final negotiations for the purpose of concluding the definitive agreement (the “**Agreement(s)**”) on the purchase by GMR from the Seller of the Medical Facility. The Medical Facility shall be title free and clear of all encumbrances. Each party will negotiate in good faith and exclusively with the other party in respect to the projects owned by the Medical Facility during the exclusivity period, which shall expire on 10 April 2014. The final terms and conditions of the Proposed Transaction will be subject to arm’s length negotiations between the relevant parties.

The Proposed Transaction, if materialised, will constitute a notifiable transaction on the part of the Company under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Further announcement(s) will be made by the Company regarding the Proposed Transaction as and when appropriate in compliance with the Listing Rules.

The Company had unveiled in December 2013 a new corporate strategy under which it would develop and manage a portfolio of Real Estate Investment Trusts (“**REITs**”) beginning with two companies trading in the United States, including GMR. In February 2014, the Company announced the appointment of chief executive officer of GMR, Mr. David Young, who has a strong track record of developing and managing medical assets. Since his appointment, Mr. Young has been building up a deal pipeline and has signed the LOI for the Medical Facility in Omaha, the most populous city in the mid-western state of Nebraska .

The Proposed Transaction will be funded by approximately US\$7 million in cash and the remaining US\$14.7 million by bank borrowing.

Based on the indicative terms of the transaction, GMR expects to be able to generate cash dividend of at least 8% to GMR shareholders while the Company’s 85%-owned REIT management subsidiary, Inter-American Management LLC (“**Inter-American**”), will be able to derive 2% of the REIT’s net asset value as advisory fees.

On the LOI, Mr. David Young said, “*We are aggressively seeking out healthcare assets which can offer exceptional returns. We believe this Medical Facility is an excellent property with a risk-reward profile which meets our strict criteria and is a highly encouraging start to our growth strategy.*”

The Managing Chairman of the Company, Mr. Chan Heng Fai, said, “*GMR is a critical part of our new REIT strategy, and we are glad to have found a promising asset in such a short period of time. We hope to build up a substantial pipeline of acquisitions to grow both REITs, creating sustainable and recurring revenue streams for HFE, enhancing shareholder value.*”

GENERAL

Shareholders and potential investors of the shares of the Company should note that the Proposed Transaction may or may not materialise, as no formally binding agreement has been executed between the parties and negotiations are still in progress and the above mentioned voluntary announcement contains forward-looking statements or will contain certain targets, plans, intents, which may or may not materialize. Shareholders and potential investors of the shares of the Company should exercise caution when dealing in the shares of the Company.

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About Heng Fai Enterprises Ltd.

Heng Fai Enterprises Limited, formerly known as Xpress Group Limited, listed on the Hong Kong Stock Exchange in 1972 with a current market capitalisation of approximately HK\$1.5 billion (US\$193 million). The Chan family owns approximately 67% 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 in Wall Street, Hong Kong and Singapore.

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

Hong Kong SAR, 25 March, 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.

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.