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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)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND INSIDE INFORMATION

This announcement is made by the board of directors of Heng Fai Enterprises Limited (the "Company")("Board") pursuant to Rule 3.7 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong (the "SFC") (the "Takeovers Code"), Rule 13.09 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)(the "SFO").

Reference is made to the announcement of the Company dated 1 April 2015 on the Stock Exchange in respect of a possible disposal of existing shares of the Company (the "Shares") on the Stock Exchange (the "Announcement"). Unless otherwise defined herein, capitalised terms in this announcement shall have the same meaning as given to them in the Announcement.

FURTHER INFORMATION ON POSSIBLE DISPOSAL

The Board has been informed by Mr. Chan that in respect of the preliminary discussions between Mr. Chan and various independent third parties relating to a possible disposal of some of the shares of the Company beneficially owned by him, certain of the discussions with one or more of the independent third parties may involve the sale of such number of voting rights in the Company which, if it materialises, may lead to a change in control of the Company triggering a mandatory cash offer under Rule 26.1 of the Takeovers Code.

Further announcement in relation to the disposal will be made by the Company as and when required under the Listing Rules and the SFO and, on a monthly basis, pursuant to Rule 3.7 of the Takeovers Code until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with any offer is made in compliance with the Takeovers Code.

The board wishes to further remind shareholders and investors of the Company that the disposal may or may not materialize and, if the disposal is effected, may or may not lead to a mandatory cash offer under Rule 26.1 of the Takeovers Code. Shareholders and investors of the Company should therefore exercise caution when dealing in securities of the Company, and if in any doubt, they should consult their professional advisers.

In compliance with Rule 3.8 of the Takeovers Code, as at the date of this announcement, the Company has in issue 3,655,657,172 Shares and 10,000,000 outstanding Share options granted under the share option scheme of the Company. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

The Company further notes that immediately after completion of the open offer pursuant to the prospectus dated 26 March 2015 assuming all offer shares are taken up by qualifying shareholders, 4,021,222,889 Shares will be in issue.

DEALING DISCLOSURE

As required under Rule 3.8 of the Takeovers Code, associates (as defined in the Takeovers Code) of the Company (including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) are reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.”

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

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

Hong Kong SAR, 10 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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.