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JOY TOWN INC.

*(Incorporated in the British Virgin Islands
with limited liability)*

Heng Fai Enterprises Limited

恒輝企業控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

JOINT ANNOUNCEMENT

- (I) DESPATCH OF THE COMPOSITE DOCUMENT RELATING TO
UNCONDITIONAL MANDATORY CASH OFFER BY
ALLIANCE CAPITAL PARTNERS LIMITED
FOR AND ON BEHALF OF JOY TOWN INC.
TO ACQUIRE ALL THE ISSUED SHARES OF
HENG FAI ENTERPRISES LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED
TO BE ACQUIRED BY JOY TOWN INC. AND PARTIES ACTING IN
CONCERT WITH IT)
AND
(II) APPOINTMENT OF EXECUTIVE DIRECTOR, CHAIRMAN OF
THE BOARD AND CHIEF EXECUTIVE OFFICER**

Financial Advisor to Joy Town Inc.



Alliance Capital Partners Limited
同人融資有限公司

Despatch of Composite Document

The Composite Document, together with the Form of Acceptance and Transfer, have been despatched to the Independent Shareholders on 6 July 2015 in accordance with the Takeovers Code. The Share Offer is open for acceptance from 6 July 2015 until 4:00 p.m. on 27 July 2015.

Independent Shareholders should read the Composite Document and the Form of Acceptance and Transfer carefully, including the letter of advice from V Baron and the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Share Offer, before deciding whether or not to accept or reject the Share Offer.

Independent Shareholders and/or potential investors of the Company should exercise caution when dealing in the securities of the Company. The Offeror and the Company remind their respective associates of the dealing restrictions under the Takeovers Code to disclose their permitted dealings, if any, in any securities of the Company.

Appointment of Executive Director, Chairman of the Board and Chief Executive Officer

The Board is pleased to announce that Mr. Zhang Jingguo has been appointed as an executive Director, Chairman of the Board and Chief Executive Officer of the Company with effect from 6 July 2015 after the despatch of the Composite Document.

Details of the newly appointed Director are set out in this announcement.

Reference is made to the joint announcement issued by Heng Fai Enterprises Limited (the “Company”) and the Offeror dated 6 May 2015 (the “Joint Announcement”) in relation to, among other things, (i) the sale and purchase of the Sale Shares in the Company and (ii) the possible unconditional mandatory cash offer by Alliance Capital Partners Limited for and on behalf of the Offeror to acquire all the issued Shares of the Company (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Joint Announcement.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document setting out, inter alia, detailed terms of the Share Offer, the expected timetable in respect of the Share Offer, the letter from Alliance Capital, the letter from the Board, and the letter from V Baron (the Independent Financial Adviser), setting out its advice to the Independent Shareholders in respect of the Share Offer, together with the Form of Acceptance and Transfer have been despatched to the Independent Shareholders on 6 July 2015 in accordance with the Takeovers Code.

The Share Offer is open for acceptance from 6 July 2015 until 4:00 p.m. on 27 July 2015.

EXPECTED TIMETABLE OF THE OFFER

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. All time and date references refer to Hong Kong time and dates.

Event	Time & Date
Despatch date of this Composite Document and the Form of Acceptance and Transfer and commencement date of the Share Offer (<i>Note 1</i>)	6 July 2015
Latest time and date for acceptance of the Share Offer (<i>Notes 2 and 4</i>)	4:00 p.m. on 27 July 2015
Closing Date (<i>Note 2</i>)	27 July 2015
Announcement of the results of the Share Offer (or their extension or revision, if any), to be posted on the website of the Stock Exchange (<i>Note 2</i>)	no later than 7:00 p.m. on 27 July 2015
Latest date for posting of remittances in respect of valid acceptances received under the Share Offer (<i>Notes 3 and 4</i>)	5 August 2015

Notes:

1. The Share Offer, which is unconditional in all respects, is made on 6 July 2015, being the date of posting of the Composite Document, and is capable of acceptance on and from that date until the Closing Date.
2. The latest time and date for acceptance will be at 4:00 p.m. on 27 July 2015 unless the Offeror revises or extends the Share Offer in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on 27 July 2015 stating whether the Share Offer has been extended, revised or has closed for acceptances. In the event that the Offeror decides to extend the Share Offer, at least 14 days' notice by way of an announcement will be given before the Share Offer is closed to those Independent Shareholders who have not accepted the Share Offer.
3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Shares tendered under the Share Offer will be despatched to the Independent Shareholders accepting the Share Offer by ordinary post at their own risk as soon as possible, but in any event within seven Business Days after the date of receipt by the Registrar of a duly completed acceptance in accordance with the Takeovers Code.
4. Acceptance of the Share Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph 4 headed "Right of withdrawal" in Appendix I to the Composite Document for further information on the circumstances where acceptances may be withdrawn.

5. If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:
- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Share Offer and the latest date for posting of remittances for the amounts due under the Share Offer in respect of valid acceptances, the latest time for acceptance of the Share Offer and the posting of remittances will remain at 4:00 p.m. on the same Business Day;
 - (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Share Offer and the latest date for posting of remittances for the amounts due under the Share Offer in respect of valid acceptances, the latest time for acceptance of the Share Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Save as mentioned above, if the latest time for the acceptance of the Share Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT

Independent Shareholders should read the Composite Document and the Form of Acceptance and Transfer carefully, including the letter of advice from V Baron and the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Share Offer, before deciding whether or not to accept or reject the Share Offer.

Independent Shareholders and/or potential investors of the Company should exercise caution when dealing in the securities of the Company. The Offeror and the Company remind their respective associates of the dealing restrictions under the Takeovers Code to disclose their permitted dealings, if any, in any securities of the Company.

APPOINTMENT OF EXECUTIVE DIRECTOR, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

The Board is pleased to announce that Mr. Zhang Jingguo (“Mr. Zhang”) has been appointed as an executive Director, the Chairman of the Board and the chief executive officer of the Company with effect from 6 July 2015. Brief biography of Mr. Zhang is set out below.

Mr. Zhang Jingguo (張敬國), age 51. Mr. Zhang has approximately 20 years of experience in the real estate development industry in China. From July 1983 to May 1994, Mr. Zhang held various positions at the then Light Industry Bureau of Henan Province (河南省輕工業廳), the governmental authority in charge of the light industry in Henan Province, and its associated collectively-owned enterprises, including division chief, engineer and vice manager, where he was responsible for administrative management. From May 1994 to April 2001, he worked at Xingye Real Estate as general manager, where he was responsible for its overall operations. Mr. Zhang Jingguo, Ms. Huang Yanping (“Ms. Huang”) and Mr. Zhang Guoqiang cofounded a real estate company which has become one of the top 100 property development companies in China. Mr. Zhang will be responsible for the overall strategic planning and general management of our Group and is instrumental to our growth and business expansion. Mr. Zhang is the spouse of Ms. Huang.

Mr. Zhang received a bachelor's degree in radio science from Zhengzhou University (鄭州大學) in July 1983 and an Executive MBA degree from Guanghua School of Management, Peking University in July 2013. Mr. Zhang currently serves as president of Henan Real Estate Chamber of Commerce (河南省房地產業商會), vice-president of Industry & Commerce Association of Henan Province (河南省工商聯合會), graduate tutor of Zhengzhou University and a member of Henan Provincial Committee of Chinese People's Political Consultative Conference (中國人民政治協商會議河南委員會). Mr. Zhang was awarded "Outstanding Real Estate Developer of Henan Province" (河南省房地產開發先進個人) by the Department of Housing and Urban-Rural Development of Henan Province (河南省住房和城鄉建設廳) in 2011 and "Outstanding Real Estate Developer of Zhengzhou" (鄭州市房地產開發先進個人) by the Housing Security and Real Estate Administration Bureau of Zhengzhou (鄭州市住房保障和房地產管理局) in 2009, 2011 and 2012. In 2012, Mr. Zhang was named "Individual with Outstanding Contribution to Market Economy of Henan Real Estate Industry" (河南地產民營經濟貢獻人物) by Henan Daily (河南日報社) and the Private Economy Research Association of Henan Province (河南省民營經濟研究會) and "Philanthropist of Henan Province" (河南省光彩慈善公益功勳人物) by the Industry & Commerce Association of Henan Province (河南省工商業聯合會) and the United Front Work Department of the CPC Henan Province Committee (中共河南省委統戰部). Mr. Zhang received his senior engineer qualification from the People's Government of Henan Province in December 1996 and his first class construction engineer (一級建造師) qualification from the Ministry of Housing and Urban-Rural Development in May 2012.

Mr. Zhang has entered into a service agreement with the Company under which he acts as an executive director, the chairman of the Board and the chief executive officer of the Company for a period commencing on 6 July 2015 and shall continue until the next general meeting of the Company where Mr. Zhang will be considered for re-appointment on the same terms at such general meeting for a period of three additional years, unless and until terminated by either party giving to the other not less than 3 months' notice in writing. Pursuant to such service agreement, Mr. Zhang will receive from the Company a director's fee of HK\$1 per annum.

As at the date of this joint announcement, Ms. Huang holds the entire interest in the Offeror which is in turn interested in 2,212,547,776 Shares, representing approximately 54.88% of the issued share capital of the Company. Mr. Zhang is deemed interested in the Shares held by the Offeror.

Save as disclosed above, Mr. Zhang does not have any interest in the Shares or underlying Shares in the Company within the meaning of Part XV of the SFO or hold any directorship in other listed companies in the last three years or any other major appointments or qualifications, or has any relationship with any Directors, senior management, substantial or controlling shareholders of the Company as at the date of this joint announcement.

Save as disclosed above, there is no other information in relation to the appointment of Mr. Zhang that is required to be disclosed nor is/was he involved in any of the matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there is no other matter that needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to welcome Mr. Zhang for joining the Board.

By Order of the Sole Director
Joy Town Inc.
Huang Yanping
Director

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

Hong Kong, 6 July, 2015

As at the date of this joint announcement, the sole director of the Offeror is Ms. Huang Yanping, who solely accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the executive Directors are Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow and Mr. Zhang Jingguo; 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 jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement relating to the Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.