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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 UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015.

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 its unaudited financial results for the six months ended 30 June 2015.

The summary of the unaudited financial results of the AHR for the six months ended 30 June 2015 together with the unaudited comparative figures for the corresponding period of last year are provided below:

INCOME STATEMENT (UNAUDITED)	3 months ended 30 June 2015 US\$	6 months ended 30 June 2015 US\$	3 months ended 30 June 2014 US\$	6 months ended 30 June 2014 US\$
Total revenue	529,214	974,192	309,439	471,369
EBITDA from established businesses ¹	62,401	23,288	102,766	219,276
Depreciation and amortization	(96,991)	(184,670)	(88,875)	(186,841)
Interest	(203,373)	(350,698)	(73,446)	(73,446)
Loss before taxation	(237,963)	(512,080)	(59,555)	(41,011)
Taxation	-	-	-	-
Loss for the period	(237,963)	(512,080)	(59,555)	(41,011)
Funds from operations (“FFO”)	(140,972)	(327,410)	29,320	145,830

BALANCE SHEET	As at 30 June 2015 (unaudited) US\$	As at 31 December 2014 (audited) US\$
Total assets	19,736,063	15,430,662
Total liabilities	(13,749,889)	(8,878,667)
Total shareholders’ equity	5,986,174	6,551,995
No. of shares outstanding	646,809	625,690
Net asset value per share ²	9.25	10.47

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 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. The Management Agreement also allows IAM to perform property management services for the Company for 8% of rental revenue. During the six months ended June 30, 2015, IAM chose not to provide any property management services. For the 6 months ended 30 June, 2015, management fees charged by IAM was US\$120,000.

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 six months ended 30 June 2015, AHR distributed two quarterly dividends payments for an aggregate of US\$310,491, which has achieved the targeted 8.0% annualized yield. AHR made its first quarterly dividend payment in April 2014.

Subsequent to the previous fiscal 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 8.0% even as it contemplates its migration to the New York Stock Exchange, an event which will allow AHR to obtain institutional funds to expand its asset base and leverage potential. The latter will, in turn, increase 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 the Company.

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

Hong Kong, 14 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.

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.