



**恆力房地產發展(集團)有限公司**  
**HENGLI PROPERTIES DEVELOPMENT (GROUP) LIMITED**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 169)**

**PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is expected that the results of the Group are likely to record a significant loss for the year ended 31 December 2008.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Hengli Properties Development (Group) Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

After preliminary review by the Company’s management based on the management accounts of the Group, the board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that it is expected that the results of the Group are likely to record a significant loss for the year ended 31 December 2008.

The Board believes that such loss of the Group is mainly materially affected by i) loss on very substantial disposal and connected transaction, ii) provision of bad debts due to deteriorate of market condition, iii) finance costs incurred on convertible bonds and promissory notes, iv) expected decrease in the market value of investment properties, v) the impairment loss on properties under development and vi) decrease in sales result from slowdown in China’s property market respectively.

The profit warning announcement is only a preliminary assessment by the Board based on the unaudited management accounts on hand as the Group’s consolidated results for the financial year ended 31 December 2008 have not yet been finalised as the date hereof. Therefore, the Board is not in a position to quantify the financial impact on the Group at this stage. Further details of the Group’s performance will be disclosed as and when the final results for the financial year ended 31 December 2008 are announced.

The Board considers that the financial position of the Company is sound and that it is well prepared for the challenges ahead.

**Shareholders and potential investors should exercise caution when dealing in the share of the Company.**

By order of the board  
**Hengli Properties Development (Group) Limited**  
**Chen Chang Wei**  
*Chairman*

Hong Kong, 6 February 2009

*As at the date of this announcement, Mr. Chen Chang Wei, Ms. Chan Sheung Ni, Ms. Chen Dongxue and Mr. Wong Hing Ting, James are the Executive Directors. Mr. So Pang Gen is the Non-executive Director, and Ms. Lin Wen Feng, Mr. Ma Ving Lung and Mr. Yip King Keung, Pony are the Independent Non-executive Directors.*