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**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)**

**HIGH CONCENTRATION OF SHAREHOLDING**

This announcement is made at the request of the Stock Exchange in respect of the high concentration of the shareholding of Hengli Properties Development (Group) Limited (the “**Company**”) in the hands of a limited number of shareholders as at 26 January 2011.

**In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of the Company in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 26 January 2011.

The Company noted that an announcement (the “**SFC Announcement**”) has been published by the Securities and Futures Commission (the “**SFC**”) on 17 February 2011. The paragraphs below are extracts from the SFC Announcement.

“The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 26 January 2011, 16 shareholders held an aggregate of 387,091,612 Shares, representing 16.62% of the issued Shares. Such shareholding, together with 1,806,351,507 Shares (representing 77.56% of the issued Shares) held aggregately by the Company’s Chairman, Mr. Chen Chang Wei, two substantial shareholders and an executive director of the Company, represented 94.18% of the issued Shares as at 26 January 2011. Therefore, only 5.82% of the issued Shares were held by other shareholders.

As at 26 January 2011, the shareholding structure of the Company was as follows:—

	<b>Number of Shares held</b> <i>(Shares)</i>	<b>% of total number of issued Shares</b> <i>(%)</i>
Chen Chang Wei ( <i>Note 1</i> )	1,392,577,507	59.79
New Double Good Limited ( <i>Note 2</i> )	200,000,000	8.59
Glories Structure Limited ( <i>Note 3</i> )	170,000,000	7.30
Chen Dongxue ( <i>Note 4</i> )	43,774,000	1.88
A group of 16 shareholders	387,091,612	16.62
Other shareholders	135,521,479	5.82
<b>Total</b>	<b><u>2,328,964,598</u></b>	<b><u>100.00</u></b>

*Note 1:* Among the 1,392,577,507 Shares in which Mr. Chen Chang Wei was deemed to have interests under the SFO (a) 12,962,000 Shares were personal interests of Mr. Chen Chang Wei; (b) 12,346,000 Shares were held by Mdm. Chan Sheung Ni (spouse of Mr. Chen Chang Wei and an executive director of the Company); (c) 1,367,269,507 Shares were held by Ever Good Luck Limited which was wholly owned by Mr. Chen Chang Wei.

*Note 2:* New Double Good Limited is a company incorporated in the BVI, the entire issued capital of which was ultimately held by Mr. Lin Zheng.

*Note 3:* Glories Structure Limited is a company incorporated in the BVI, the entire issued capital of which was ultimately held by Mr. Wu Huishun.

*Note 4:* Chen Dongxue is Mr. Chen Chang Wei's sister and an executive director of the Company.

The Company completed its rights issue at the end of December 2010, on the basis of one rights share for every existing Share at a subscription price of HK\$0.10, with an acceptance rate of 37.96%. The share price of the Company has been on a rising trend afterwards with the closing price of the Company rose 253% from HK\$0.15 on 31 December 2010 to HK\$0.53 on 16 February 2011."

## **PUBLIC FLOAT**

Based on the information available and to the best knowledge of the board (the "**Board**") of directors of the Company, the Board confirms that each of the 16 Shareholders holding 387,091,612 Shares mentioned in the SFC Announcement was holding less than 5% of the issued Shares as at 26 January 2011 and the date of this announcement. Having made all reasonable enquiries with the directors of the Company and to the best knowledge of the Company, the Company confirms that as at 26 January 2010 and the date of this announcement not less than 25% of the Company's issued Shares are in the hands of the public and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on the Stock Exchange.

**In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.**

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

Hong Kong, 17 February 2011

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