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THE HONG KONG PARKVIEW GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 207)

VERY SUBSTANTIAL ACQUISITION VERY SUBSTANTIAL DISPOSAL CONNECTED TRANSACTIONS AND RESUMPTION OF TRADING

THE VERY SUBSTANTIAL ACQUISITION

The Board is pleased to announce that the Group (through its wholly-owned subsidiary Parkview Property as the purchaser) entered into the Acquisition Agreement with the Acquisition Vendors regarding the Acquisition on 13 September 2010. Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire and the Acquisition Vendors have conditionally agreed to sell the Acquisition Shares and assign the Acquisition Shareholders' Loan at the Acquisition Consideration of HK\$289,516,400. The Acquisition Shares represent the entire voting share capital of the Target Company as well as 8,500,000 non-voting deferred shares. The shareholding structure of the Target Company is included under the section headed "Shareholding Charts" of this announcement. The principal asset of the Target Company is the Property.

Pursuant to the Acquisition Agreement, the Acquisition Consideration shall be settled by way of a combination of deferred payment and set-off against the Disposal Consideration.

THE VERY SUBSTANTIAL DISPOSAL

The Board is pleased to announce that on 13 September 2010, the Company entered into the Disposal Agreement with Kompass, the controlling Shareholder, pursuant to which the Company has conditionally agreed to sell and Kompass has conditionally agreed to purchase the Disposal Shares and be assigned the Disposal Shareholders' Loan, at the consideration of HK\$140,610,334.

Upon completion of the Disposal, all of the Disposal Companies will cease to be subsidiaries or affiliate (as the case may be) of the Company. The financial results, assets, liabilities and cash flows of the Disposal Companies (other than the affiliate company) will be deconsolidated from the Group's consolidated financial statements.

LISTING RULES IMPLICATION

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules. Allhead Holdings is a company 100% of which is ultimately owned by Mr. Hwang Teh Hwa, Tony (an Executive Director). Richtop Investments is a company 100% of which is ultimately owned by the wife and children of Mr. Hwang Teh Hwa, Tony. As such the Acquisition Vendors are connected persons of the Company under the Listing Rules and thus the Acquisition also constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval by way of poll at the SGM.

With respect to the Disposal, as the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules. By virtue of Kompass being the controlling Shareholder, Kompass is a connected person of the Company under the Listing Rules and thus the Disposal also constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As the completion of both the Acquisition Agreement and the Disposal Agreement are conditional upon the simultaneous completion of both the Disposal and the Acquisition, both (i) the Acquisition Vendors and their respective associates (to the extent they are Shareholders) and (ii) Kompass and its associates (to the extent they are Shareholders) are required to abstain from voting in respect of both the Acquisition and the Disposal at the SGM.

GENERAL

An Independent Board Committee comprising Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P., Mr. Lam Kin Ming, Lawrence and Mr. Wu Kwok Cheung, MH (all being Independent Non-executive Directors) has been established to (i) advise the Independent Shareholders as to whether the terms of the Acquisition Agreement and the Disposal Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition and the Disposal are in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Acquisition and the Disposal after taking into account the recommendation of the independent financial adviser to be appointed by the Company.

The SGM will be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Acquisition Agreement, the Disposal Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisition and the Acquisition Agreement; (ii) further details of the Disposal and the Disposal Agreement; (iii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition and the Disposal; (iv) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Disposal; and (v) a notice convening the SGM, is expected to be despatched to the Shareholders as soon as practicable on or before 12 October 2010.

As completion of the Acquisition and the Disposal are subject to the fulfillment of a number of conditions precedent which are detailed in this announcement, the Acquisition and/or the Disposal may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on Tuesday, 14 September 2010, pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 20 September 2010.

THE VERY SUBSTANTIAL ACQUISITION

The Board is pleased to announce that the Company (through its wholly-owned subsidiary Parkview Property as the purchaser) entered into the Acquisition Agreement with the Acquisition Vendors regarding the Acquisition on 13 September 2010. Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire and the Acquisition Vendors has conditionally agreed to sell (or procure the sale of) the Acquisition Shares and assign the Acquisition Shareholders' Loan at the Acquisition Consideration of HK\$289,516,400.

As at the date of this announcement, the principal asset of the Target Company is the Property.

THE ACQUISITION AGREEMENT

Set out below are the principal terms of the Acquisition Agreement:

Date:

13 September 2010

Parties involved:

Purchaser

Parkview Property, an investment holding company which is a wholly-owned subsidiary of the Company.

Vendors

Allhead Holdings, Ellenburgh International and Richtop Investments, being all shareholders of the Target Company, each of which are investment holding companies. As at the date of this announcement, Allhead Holdings is a company 100% of which is ultimately owned by Mr. Hwang Teh Hwa, Tony (an Executive Director). Richtop Investments is a company 100% of which is ultimately owned by the wife and children of Mr. Hwang Teh Hwa, Tony. As such the Acquisition Vendors are connected persons of the Company under the Listing Rules.

Assets to be acquired:

The Target Company is a property holding company which holds the Property situated at 11/F., World-Wide House, 19 Des Voeux Road Central, Hong Kong.

Pursuant to the Acquisition Agreement, the Group has conditionally agreed to acquire and the Acquisition Vendors have conditionally agreed to sell (or procure the sale of) the Acquisition Shares and assign the Acquisition Shareholders' Loan at the Acquisition Consideration. The Acquisition Shares represent the entire issued voting share capital of the Target Company and 8,500,000 non-voting deferred shares. The shareholding structure of the Target Company is included under the section headed "Shareholding Charts" of this announcement. The principal asset of the Target Company is the Property.

The net losses (both before and after taxation and extraordinary items) attributable to the Acquisition Shares for the two financial years immediately preceding the Acquisition Agreement is as follows:

For the financial year ended 31 March	Net profit (loss) before taxation and extraordinary items (HK\$)	Net profit (loss) after taxation and extraordinary items (HK\$)
2009	(614,287)	(661,495)
2010	(2,555,450)	(2,578,806)

The original purchase cost of the Target Company for Allhead Holdings was approximately HK\$100 million (who acquired its interest in the Target Company on 7 November 2001) whilst the cost to Richtop Investments was HK\$10 (who acquired its interest in the Target Company on 24 August 2009).

The Consideration:

Pursuant to the Acquisition Agreement, the Acquisition Consideration of HK\$289,516,400 shall be settled by the Group by way of a combination of deferred payment and set-off against the Disposal Consideration.

The Acquisition Vendors undertook to the Group that, on the Acquisition Completion Date, they will make such adjustments (if any) to the Acquisition Shareholders' Loan as are required to ensure that the net asset value of the Target Company, when added to the outstanding amount of the Acquisition Shareholders' Loan, is equal to the Acquisition Consideration. If the net asset value of the Target Company when added to the outstanding amount of the Acquisition Shareholders' Loan is not less than 99.9% and not more than 100.1% of the Acquisition Consideration, there will be no adjustments.

For the purpose of determining the net asset value, it will be based on the net asset value as shown in the Target Company's unaudited management accounts for the year ended 31 March 2010 and for the period commencing 1 April 2010 to 31 August 2010 (both dates inclusive), including any valuation adjustment made to it as at 31 August 2010 but excluding any intangible assets.

The Acquisition Shareholders' Loan is the loan in the aggregate principal amount of HK\$52,874,787 which, as at 31 August 2010, is due from the Target Company, Mr. Hwang Teh Hwa, Tony and Sandiron Holdings Limited and which, at the Acquisition Completion Date, will be assigned to Parkview Property or its nominee. Immediately after completion, no amounts will be due from or to the Group on the one hand, and the Acquisition Vendors and their subsidiaries on the other hand, in respect of the Acquisition Consideration other than the Deferred Amount.

The Acquisition Vendors are ultimately owned by the Hwang Family and it is agreed by each of the Acquisition Vendors that in consideration of the Company entering into the Disposal Agreement and the Company directing Kompas to pay the Disposal Consideration to the Acquisition Vendors or such parties as they direct, the Acquisition Consideration remaining, after deducting the Disposal Consideration of approximately HK\$148,906,066, will be left outstanding as at Completion as vendor financing on an interest free basis and deferred for a period of 15 months from the Acquisition Completion Date, save that in the event:

- (i) there is a change of control in the Company (that is, the Company is no longer beneficially owned by the Hwang Family as to 30% or more);
- (ii) Parkview Property sells the Property or mortgages the Property without the Acquisition Vendors' prior written consent; or
- (iii) the Company creates or permits to subsist any security over the whole or any part of its assets (other than in the ordinary and usual course of its business) without the Acquisition Vendors' prior written consent,

and the aforesaid deferred amount shall become immediately due and payable by Parkview Property to the Acquisition Vendors or such parties as they may direct.

The Company plans to take out a mortgage on the Property to repay the deferred amount of the Acquisition Consideration after the end of the interest free period of 15 months mentioned above.

Basis of the Consideration:

The Acquisition Consideration was determined between the Acquisition Vendors and the Group after arm's length negotiations, taking into account the followings:

- (i) the valuation of the Property being approximately HK\$300 million as at 31 March 2010 by an independent property valuer (and which the Acquisition Vendors agreed to discount such valuation to HK\$280 million);
- (ii) the latest market statistics and future prospects of the Hong Kong property market;

- (iii) any accounting adjustments which Parkview Property considers necessary and desirable; and
- (iv) the payment method of the Acquisition Consideration.

The Valuer has applied the market price approach, which was prepared with reference to the cost of replacement for the valuation of the Property. Further details of the valuation will be set forth in the circular to be despatched to the Shareholders.

Having considered the above, the Board (excluding Mr. Wong Kin Wah, George, Mr. Hwang Yiu Hwa, Victor, Mr. Hwang Yiu Hwa, Richard and Mr. Hwang Teh Hwa, Tony who abstained from voting) consider that the terms under the Acquisition Agreement (including the Acquisition Consideration), which was arrived at after arm's length negotiations, are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Rental guarantee

The Acquisition Vendors agreed to guarantee rental of the Property in the amount of HK\$500,000 per month for the six months period commencing on the Acquisition Completion Date. In the event that

- (i) the Property is sold by Parkview Property;
- (ii) the Property is rented out by Parkview Property; or
- (iii) there is a change of control in the Company (that is, the Company is no longer beneficially owned by the Hwang Family as to 30% or more)

prior to the end of such six month period, the guaranteed rental period shall end on the day immediately before the date of such sale or rental (as the case may be) of the Property and the unpaid rental amount so guaranteed for such period shall be paid by the Acquisition Vendors to Parkview Property or, at the discretion of Parkview Property applied by way of set off to reduce the deferred amount referred to above.

Conditions precedent:

Completion of the Acquisition Agreement is conditional upon certain conditions being fulfilled or waived in writing, including but not limited to:

- (i) compliance with the Listing Rules and approval of the Acquisition Agreement and the transactions contemplated therein by the Independent Shareholders in a special general meeting in accordance with the Listing Rules;
- (ii) the obtaining of all third party consents and approval (if any) which are necessary to effect the transaction contemplated in the Acquisition Agreement and release of guarantees (if any) for third party indebtedness;
- (iii) simultaneous completion of the Disposal Agreement; and

(iv) save for temporary suspension of trading in the shares of the Company pursuant to the Listing Rules, the shares of the Company shall remain listed on the Main Board of the Stock Exchange on the Completion Date.

Completion:

Completion shall take place on the fifth Business Day immediately after the conditions are satisfied (or such later date as the Acquisition Vendors and Parkview Property shall agree in writing).

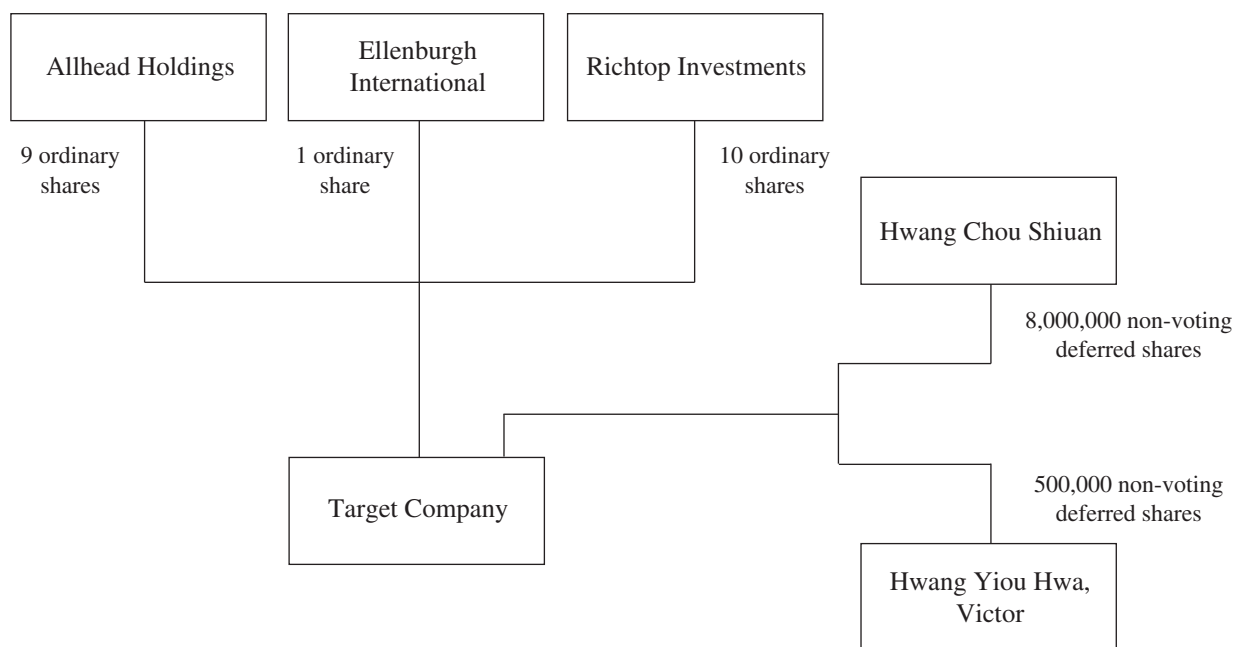
Vendors' liabilities:

Acquisition Vendors' liabilities in respect of any breach of the warranties in the Acquisition Agreement shall cease at the expiry of one year after the Acquisition Completion Date and is limited in aggregate to the Acquisition Consideration.

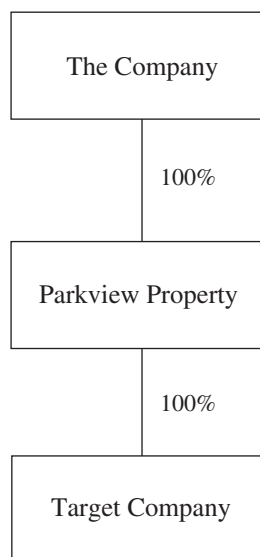
SHAREHOLDING CHARTS

The following charts show (i) the shareholding structure of the Target Company as at the date of this announcement; and (ii) the shareholding structure of the enlarged Group immediately upon the Acquisition Completion Date:

Simplified shareholding structure as at the date of this announcement



Simplified shareholding structure immediately upon completion



INFORMATION ON THE ACQUISITION VENDORS AND THE TARGET COMPANY

Allhead Holdings, Ellenburgh International and Richtop Investments, being all shareholders of the Target Company, are all investment holding companies. As at the date of this announcement, Allhead Holdings is a company 100% of which is ultimately owned by Mr. Hwang Teh Hwa, Tony (an Executive Director). Richtop Investments is a company 100% of which is held by Brilliant One International Trading Limited (the ultimate shareholders of which are the wife (Ms. Vanessa L. Hwang) and children (Huang Jui-Pin, Huang Chiao-Yun and Hwang Tsai-Ti) of Mr. Hwang Teh Hwa, Tony). As such the Acquisition Vendors are connected persons of the Company under the Listing Rules.

The Target Company is a property holding company incorporated in Hong Kong 16 April 1981 on with limited liability and which entire issued voting share capital is beneficially owned by the Acquisition Vendors as to 50% by Allhead Holdings and 50% by Richtop Investments. Ellenburgh International holds one share on trust for Allhead Holdings. There are also a total of 8,500,000 non-voting deferred shares issued to Mr. Hwang Yiou Hwa, Victor (as to 500,000 non-voting deferred shares) and Mr. Hwang Chou Shiuan (as to 8,000,000 non-voting deferred shares). The Acquisition Vendors have agreed to procure the sale of those non-voting deferred shares held by Mr. Hwang Yiou Hwa, Victor to Parkview Property. As Mr. Hwang Chou Shiuan has passed away and his estate is subject to the grant of probate, the Acquisition Vendors have further agreed to procure the transfer of the 8,000,000 non-voting deferred shares registered in the name of Mr. Hwang Chou Shiuan as soon as reasonably practicable for no further consideration after probate of the estate has been granted.

The principal asset of the Target Company is the Property.

As at the date of this announcement, the Target Company acts as a guarantor for the repayment obligations under a bank facility taken out by Great Felicity Limited. Such loan is up to a maximum of HK\$339,200,000 but the guarantee by the Target Company is only up to HK\$50,880,000. The release of such guarantee is a condition precedent to the Acquisition Agreement.

THE VERY SUBSTANTIAL DISPOSAL

The Board is pleased to announce that on 13 September 2010, the Company entered into the Disposal Agreement with Kompas, the controlling Shareholder, pursuant to which the Company has conditionally agreed to sell and Kompas has conditionally agreed to purchase the Disposal Shares, and for Kompas to be assigned the Disposal Shareholders' Loan, at the consideration of HK\$140,610,334.

THE DISPOSAL AGREEMENT

Set out below are the principal terms of the Disposal Agreement:

Date: 13 September 2010

Parties involved:

Purchaser

Kompas, the controlling Shareholder

Vendor

The Company

Assets to be disposed of

Pursuant to the Disposal Agreement, the Company has conditionally agreed to sell and Kompas has conditionally agreed to purchase the Disposal Shares.

The net profits or losses (both before and after taxation and extraordinary items) attributable to the Disposal Shares for the two financial years immediately preceding the Disposal Agreement is as follows:

Newmeadow

For the financial year ended 31 March	Net profit (loss) before taxation and extraordinary items (HK\$)	Net profit (loss) after taxation and extraordinary items (HK\$)
2009	(26,093,230)	(26,093,230)
2010	(20,176,933)	(20,176,933)

Dragon Spirit

	Net profit (loss) before taxation and extraordinary items (HK\$)	Net profit (loss) after taxation and extraordinary items (HK\$)
For the financial year ended 31 March		
2009	(358,384)	(358,384)
2010	2,913,583	8,563,977

Hebo Urge

	Net profit (loss) before taxation and extraordinary items (HK\$)	Net profit (loss) after taxation and extraordinary items (HK\$)
For the financial year ended 31 March		
2009	(229,987)	(229,987)
2010	(229,005)	(229,005)

Gallaria Furnishings

	Net profit (loss) before taxation and extraordinary items (HK\$)	Net profit (loss) after taxation and extraordinary items (HK\$)
For the financial year ended 31 March		
2009	(1,317,129)	(1,317,129)
2010	1,073,803	1,073,803

Kinart Enterprise

	Net profit (loss) before taxation and extraordinary items (HK\$)	Net profit (loss) after taxation and extraordinary items (HK\$)
For the financial year ended 31 March		
2009	(6,555)	(6,555)
2010	(6,555)	(6,555)

For the financial year ended 31 March	Net profit (loss) before taxation and extraordinary items (HK\$)	Net profit (loss) after taxation and extraordinary items (HK\$)
2009	(12,368)	(12,368)
2010	(12,758)	(12,758)

The figures for both years above are audited.

Upon completion of the Disposal, the Disposal Companies will cease to be subsidiaries (or associate, in the case of Kinart Enterprise) of the Company. The financial results, assets, liabilities and cash flows of the Disposal Companies will be deconsolidated from the Group's consolidated financial statements.

Based on the existing information available to the Company, the Directors estimated that the expected gain to be recorded in the Group's consolidated financial statements arising from the Disposal is approximately HK\$1 million, being the difference between the Disposal Consideration of HK\$140,610,334 and the net asset value of the Disposal Companies of approximately HK\$137,695,335 as at 31 August 2010 based on the Disposal Companies' respective management accounts and taking into account the estimated expenses to be incurred (including but not limited to stamp duty, legal and professional fees).

It should be noted that the aforementioned estimations are for illustrative purpose only and do not purport to represent how the financial position of the remaining Group will be upon completion of the Disposal.

Consideration

The Disposal Consideration for the Disposal is HK\$140,610,334 which shall be satisfied by way of payment, on the Disposal Completion Date, by Kompas to the Acquisition Vendors and so immediately after Completion, no amounts shall be owed by Kompas to the Company under the Disposal Agreement.

The Company undertook to Kompas that, on the Disposal Completion Date, the Company will make such adjustments (if any) to the Disposal Shareholders' Loan as are required to ensure that the net asset value of the Disposal Companies, when added to the outstanding amount of the Disposal Shareholders' Loan, is equal to the Disposal Consideration. If the net asset value of the Disposal Companies when added to the outstanding amount of the Disposal Shareholders' Loan is not less than 99.9% and not more than 100.1% of the Disposal Consideration, there will be no adjustments.

For the purpose of determining the net asset value, it will be based on the net asset value as shown in the Disposal Companies' audited accounts for the year ended 31 March 2010, and the management accounts of the Disposal Companies for the period commencing 1 April 2010 to 31 August 2010 (both dates inclusive), including any valuation adjustment made to it as at 31 August 2010 but excluding any intangible assets.

The Disposal Shareholders' Loan is the loan in the aggregate principal amount of HK\$391,780,645.51 due from the Disposal Companies as at the Disposal Completion Date and which, pursuant to the terms of the Disposal Agreement, shall be assigned to Kompass or such party as it directs. Immediately after completion, no amounts will be due from the Group, on the one hand, and Kompass and its subsidiaries, on the other hand, in respect of the Disposal Consideration payable under the Disposal Agreement.

Basis of the Consideration

The Consideration of the Disposal was agreed between the Company and Kompass after arm's length negotiations and on normal commercial terms by reference to the net asset value of the Disposal Companies as at 31 August 2010.

Given that the Disposal Consideration represents the net asset value of the Disposal Shares of approximately HK\$138 million based on the management accounts of the Disposal Companies for the five months ended 31 August 2010, and taking into account the payment method of the Disposal Consideration, the Board (excluding Mr. Wong Kin Wah, George, Mr. Hwang Yiou Hwa, Victor, Mr. Hwang Yiu Hwa, Richard and Mr. Hwang Teh Hwa, Tony who abstained from voting) consider that the terms of the Disposal Agreement (including the Disposal Consideration), which was arrived at after arm's length negotiations, are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Disposal Agreement is conditional upon certain conditions being fulfilled or waived in writing, including but not limited to:

- (i) approval of the Disposal Agreement and the transactions contemplated therein by the Independent Shareholders in a special general meeting in accordance with the Listing Rules;
- (ii) the obtaining of all third party consents and approval (if any) which are necessary to effect the transaction contemplated in the Disposal Agreement; and
- (iii) simultaneous completion of the Acquisition Agreement.

Completion

Completion shall take place on the fifth Business Day immediately after the conditions are satisfied or such later date as the Company and Kompass shall agree in writing.

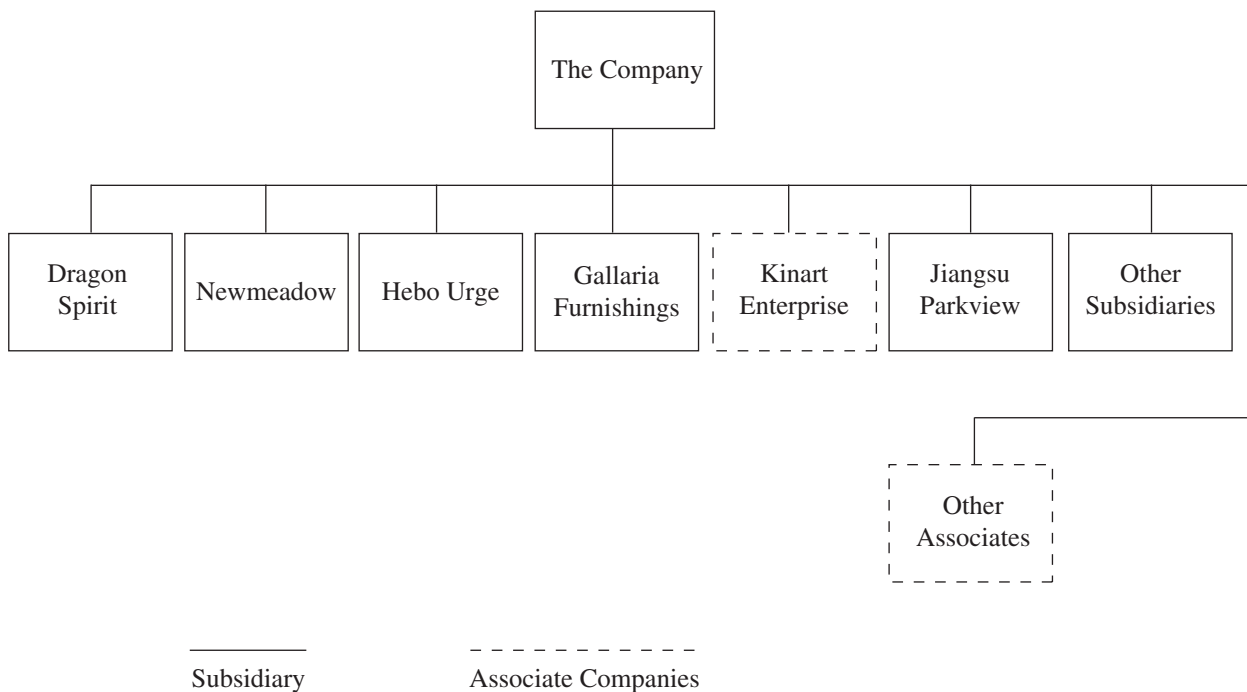
The Company's liabilities:

The Company's liabilities in respect of any breach of the warranties in the Disposal Agreement shall cease at the expiry of one year after the Disposal Completion Date and is limited in aggregate to the Disposal Consideration.

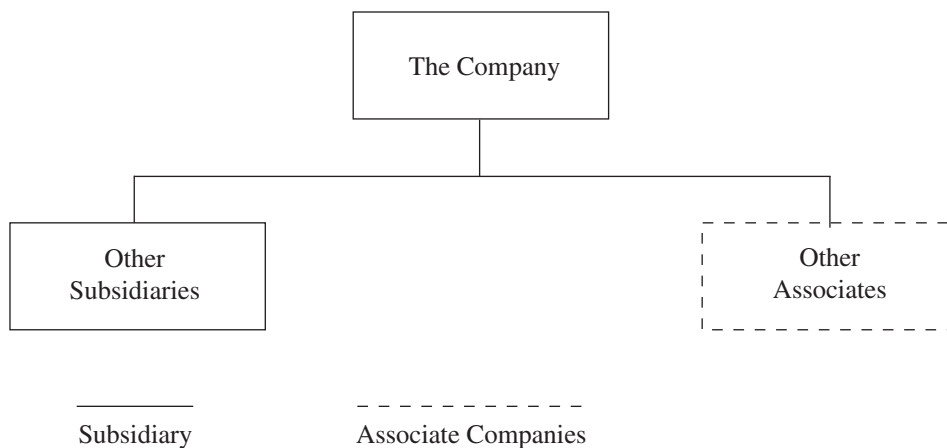
SHAREHOLDING CHARTS

Taking no account of the effect of the Acquisition, the following charts show (i) the shareholding structure of the Group as at the date of this announcement; (ii) the shareholding structure of the Group immediately upon the Disposal Completion Date:

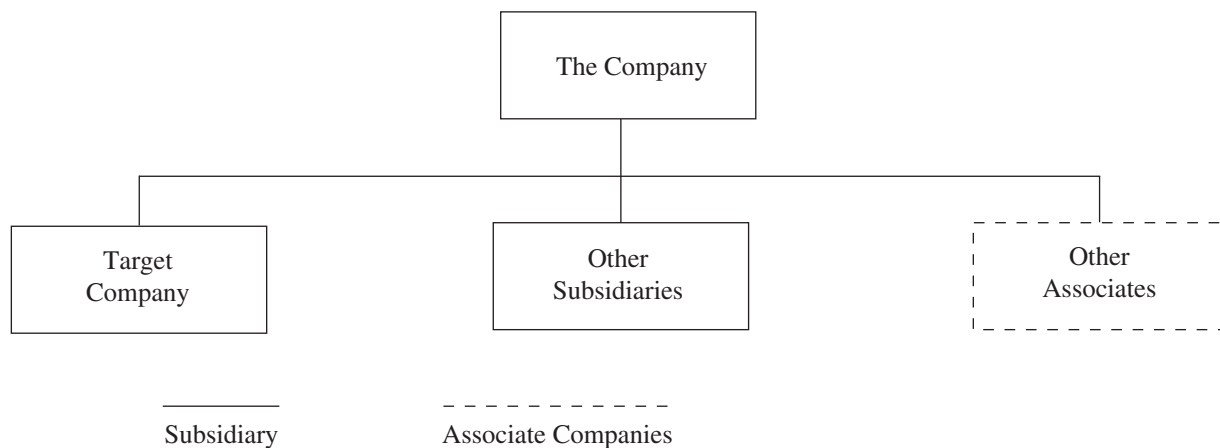
Simplified shareholding structure as at the date of this announcement



Simplified shareholding structure immediately upon completion



Assuming both the Acquisition and the Disposal are completed, the simplified shareholding structure of the Group immediately after completion of both the Acquisition and the Disposal is as follows:



INFORMATION ON KOMPASS AND THE DISPOSAL COMPANIES

Kompass is a limited liability company incorporated in the British Virgin Islands which, as at the date of this announcement, holds 293,674,138 Shares and is the controlling Shareholder. Kompass is ultimately owned by the Hwang Family and is a connected person of the Company. Kompass is an investment holding company.

The Disposal Companies include Dragon Spirit, Newmeadow, Hebo Urge, Gallaria Furnishings and Kinart Enterprise and Jiangsu Parkview, all of which (other than Kinart Enterprise which is an associate of the Company) are subsidiaries of the Company. Dragon Spirit has no active business or assets after the liquidation of Shanghai Qiao-Yi Real Estate Co. Ltd (further details of which are set out in the Company’s announcement dated 6 September 2010). Newmeadow holds a 45% interest in Nanjing Dingshan Garden Hotel Company Ltd. which is a hotel business. Gallaria Furnishings’s primary asset and business consists of holding interest in various commercial properties in Shanghai. Hebo Urge and Kinart Enterprise have no active business and their primary assets are paintings and copyright interests. Jiangsu Parkview is engaged in the hotel management business and does not hold any assets.

INFORMATION ON THE COMPANY

The principal activities of the Company are investment holding and provision of corporate management services. The Group, through its principal operating subsidiaries, is also involved in the property development business.

After the completion of the Acquisition and the Disposal, the Company’s primary asset and revenue source would be the Property. The Acquisition Vendors have agreed to provide a rental guarantee on the Property in the amount of HK\$500,000 per month for the six months period commencing on the Acquisition Completion Date. The Property is currently vacant and no potential tenant has been identified at this stage. The Acquisition Vendors will meet the rental guarantee from their own internal financial resources.

The Company plans to rent out the Property as soon as possible after the Acquisition Completion Date so as to increase its revenue stream and it is estimated that, based on current market conditions, the Property would be able to be rented out at approximately HK\$1,000,000 or more per month. In the event the Property is rented out, the aforementioned rental guarantee of HK\$500,000 per month would cease. In the event the Company is unable to find a tenant for the Property after the six month rental guarantee period lapses, the Company will continue to keep the Property on the market for rent until a suitable tenant is identified.

The primary expenses items and liabilities of the Group would consist primarily of employees salaries and other operating expenses of around HK\$273,000 per month in aggregate (excluding listing fees payable to the Stock Exchange from time to time).

USE OF PROCEEDS

As described above, the Disposal Consideration shall be paid to the Acquisition Vendors in order to settle part of the Acquisition Consideration.

REASONS FOR THE ACQUISITION AND THE DISPOSAL

Further to the liquidation of Shanghai Qiao-Yi Real Estate Co., Ltd. (further details of which are set out in the Company's announcement dated 6 September 2010), the Group has no substantial assets nor operations other than a 45% non-controlling stake in Nanjing Dingshan Garden Hotel Company Ltd., a company which holds a loss making Nanjing hotel project and some commercial properties in Shanghai which had been distributed to it as a result of the liquidation and which as at 31 March 2010 was valued at RMB68.9 million. The Group's investment in Nanjing Dingshan Garden Hotel has been the main cause for the persistent losses incurred by the Group as a whole for the past 3 years. Consequently in order to implement the Board's intention to have an income generating asset, the Group has considered acquisition of assets which would contribute a meaningful income stream to the Group. As such the Group entered into the Acquisition Agreement to acquire the Target Company which principal asset comprise the Property and as a term of the Acquisition Agreement, contains a rental guarantee for six months from the Acquisition Completion Date. In the event that:

- (i) the Property is sold by Parkview Property;
- (ii) the Property is rented out by Parkview Property; or
- (iii) there is a change of control in the Company (that is, the Company is no longer beneficially owned by the Hwang Family as to 30% or more)

prior to the end of such six month period, the guaranteed rental period shall end on the day immediately before the date of such sale or rental (as the case may be) of the Property and the unpaid rental amount so guaranteed for such period shall be paid by the Acquisition Vendors to Parkview Property or, at the discretion of Parkview Property applied by way of set off to reduce the deferred amount referred to above.

In order to partially fund the cost of the Acquisition, the Company was also mindful not to increase its debt too much in the event that interest rates increase. The Disposal Companies have net liabilities. Consequently if the Group was to swap the Disposal Companies for the Property (including the 45% non-controlling interest in the Nanjing Dingshan Garden Hotel Company Ltd. and the commercial properties in Shanghai), the Group's indebtedness would be at a reasonable level and the quality of the Group's revenue generating assets will improve.

The Board (excluding Mr. Wong Kin Wah, George, Mr. Hwang Yiou Hwa, Victor, Mr. Hwang Yiu Hwa, Richard and Mr. Hwang Teh Hwa, Tony who abstained from voting) consisting primarily of the Independent Non-executive Directors, have been kept informed of and understand the rationale for the Acquisition and Disposal. Having reviewed the terms and conditions of the Acquisition and Disposal and having considered (i) the basis on which the Acquisition Consideration was reached, (ii) the 15 months interest free deferred payment of the remaining Acquisition Consideration and (iii) the guaranteed rental period on the Property, the Independent Non-executive Directors are of the view that the terms and conditions of the Acquisition and the Disposal are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

As at the date of this announcement and save for the Acquisition and the Disposal, the Company has no further agreement, arrangement, understanding, intention or on-going negotiations in relation to any further disposal, termination or scaling-down of its existing business or in respect of any further acquisition of new assets or businesses.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules. Allhead Holdings is a company 100% of which is ultimately owned by Mr. Hwang Teh Hwa, Tony (an Executive Director). Richtop Investments is a company 100% of which is ultimately owned by the wife and children of Mr. Hwang Teh Hwa, Tony. As such the Acquisition Vendors are connected persons of the Company under the Listing Rules and thus the Acquisition also constitutes a connected transaction for the Company and is subject to the Independent Shareholders' approval by way of poll at the SGM.

With respect to the Disposal, as the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules. By virtue of Kompass being the controlling Shareholder, Kompass is a connected person of the Company under the Listing Rules and thus the Disposal also constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As the completion of both the Acquisition Agreement and the Disposal Agreement are conditional upon the simultaneous completion of both the Disposal and the Acquisition, both (i) the Acquisition Vendors and their respective associates (to the extent they are Shareholders) and (ii) Kompass and its associates (to the extent they are Shareholders) are required to abstain from voting in respect of both the Acquisition and the Disposal at the SGM.

GENERAL

An Independent Board Committee comprising Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P., Mr. Lam Kin Ming, Lawrence and Mr. Wu Kwok Cheung, MH (all being Independent Non-executive Directors) has been established to (i) advise the Independent Shareholders as to whether the terms of the Acquisition Agreement and the Disposal Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Acquisition and the Disposal are in the interests of the Company and the Shareholders as a whole; and (ii) advise the Independent Shareholders on how to vote in respect of the Acquisition and the Disposal after taking into account the recommendation of the independent financial adviser to be appointed by the Company.

The SGM will be held to consider and, if thought fit, approve the ordinary resolutions in respect of the Acquisition Agreement, the Disposal Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Acquisition and the Acquisition Agreement; (ii) further details of the Disposal and the Disposal Agreement; (iii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition and the Disposal; (iv) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Disposal; and (v) a notice convening the SGM, is expected to be despatched to the Shareholders as soon as practicable on or before 12 October 2010.

As completion of the Acquisition and the Disposal are subject to the fulfillment of a number of conditions precedent which are detailed in this announcement, the Acquisition and/or the Disposal may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 14 September 2010, pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 20 September 2010.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Acquisition”	the acquisition of the Acquisition Shares by the Group from the Acquisition Vendors (or such persons as procured by the Acquisition Vendors, as the case may be) pursuant to the terms and conditions set out in the Acquisition Agreement
“Acquisition Agreement”	the conditional Acquisition Agreement in relation to the Acquisition entered into between Parkview Property and the Acquisition Vendors on 13 September 2010
“Acquisition Completion Date”	the fifth Business Day immediately after the conditions herein are satisfied (or such later date as the Acquisition Vendors and Parkview Property shall agree in writing)
“Acquisition Consideration”	the total consideration of HK\$289,516,400 payable by the Group to the Acquisition Vendors for the Acquisition pursuant to the Acquisition Agreement
“Acquisition Shareholders’ Loan”	the aggregate principal amount of HK\$52,874,787 which, as at 31 August 2010, is due from the Target Company and which, on completion of the Acquisition, will be assigned to Parkview Property or its nominee
“Acquisition Shares”	20 shares of HK\$1.00 each in the issued share capital of the Target Company, representing its entire issued voting share capital as at the date of this announcement, 500,000 non-voting deferred shares held by Mr. Hwang Yiou Hwa, Victor and the 8,000,000 non-voting deferred shares registered in the name of Mr. Hwang Chou Shiuan
“Acquisition Vendors”	Allhead Holdings, Ellenburgh International and Richtop Investments, being all the shareholders of the issued voting share capital of the Target Company
“Allhead Holdings”	Allhead Holdings Limited, a company incorporated in the British Virgin Islands with limited liabilities and which is 100% ultimately beneficially owned by Mr. Hwang Teh Hwa, Tony (an Executive Director)
“Associate(s)”	shall have the meaning as ascribed to it under the Listing Rules

“Board”	the board of Directors
“Business Day”	a day (other than any Saturday, Sunday or public holiday in Hong Kong) on which banks are generally open for business in Hong Kong
“Company”	The Hong Kong Parkview Group Limited (僑福建設企業機構*), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Disposal Shares by the Group to Kompass pursuant to the terms and conditions set out in the Disposal Agreement
“Disposal Agreement”	the conditional Disposal Agreement in relation to the Disposal entered into between the Company and Kompass
“Disposal Companies”	Dragon Spirit, Newmeadow, Hebo Urge, Gallaria Furnishings, Kinart Enterprise and Jiangsu Parkview
“Disposal Completion Date”	the fifth Business Day immediately after the conditions herein are satisfied (or such later date as the Company and Kompass shall agree in writing)
“Disposal Consideration”	the total consideration of HK\$140,610,334 pursuant to the Disposal Agreement to be paid to the Acquisition Vendors as directed by the Company
“Disposal Shareholders’ Loan”	the aggregate principal amount of HK\$391,780,645.51 which will be due from the Disposal Companies as at the Disposal Completion Date and which, pursuant to the terms of the Disposal Agreement shall be assigned to Kompass or such party as it directs
“Disposal Shares”	the issued share capital of each of the Disposal Companies held by the Company as at the date of this announcement

* For identification purposes only

“Dragon Spirit”	Dragon Spirit Limited, a company incorporated in the British Virgin Islands with limited liabilities and a wholly-owned subsidiary of the Company as at the date of this announcement
“Ellenburgh International”	Ellenburgh International Limited, a company incorporated in the British Virgin Islands with limited liabilities and which holds one share in the Target Company on trust for Allhead Holdings
“Gallaria Furnishings”	Gallaria Furnishings International Limited, a company incorporated in Hong Kong with limited liabilities and a wholly-owned subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hebo Urge”	Hebo Urge Company Limited, a company incorporated in Hong Kong with limited liabilities and a wholly-owned subsidiary of the Company as at the date of this announcement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hwang Family”	Messrs Wong Kin Wah, George, Hwang Yiou Hwa, Victor, Hwang Yiu Hwa, Richard and Hwang Teh Hwa, Tony, all of whom are brothers and Directors and, in aggregate, through their interests in High Return Trading Limited and the Purchaser, hold approximately 73.6% of the issued share capital of the Company as at the date of this announcement
“Independent Board Committee”	an independent board committee of the Company, comprising all the Independent Non-executive Directors, for the purpose of advising the Independent Shareholders in respect of the Acquisition and the Disposal
“Independent Shareholders”	Shareholders other than Hwang Family, Kompass, the Acquisition Vendors and their respective associates
“Independent Third Parties”	third parties and their ultimate beneficial owner(s) which are independent of the Company and its connected persons

“Jiangsu Parkview”	Jiangsu Parkview Hotels & Resorts Limited, a company incorporated in the British Virgin Islands with limited liabilities and a 55% owned subsidiary of the Company as at the date of this announcement
“Kinart Enterprise”	Kinart Enterprise Limited, a company incorporated in Hong Kong with limited liabilities and a 50% owned associate of the Company as at the date of this announcement
“Kompass”	Kompass International Limited, a limited liability company incorporated in the British Virgin Islands which, as at the date of this announcement, holds 293,674,138 Shares and is the controlling Shareholder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Newmeadow”	Newmeadow Limited, a company incorporated in the British Virgin Islands with limited liabilities and a wholly-owned subsidiary of the Company as at the date of this announcement
“Parkview Property”	Parkview Property Development Limited, a limited liability company incorporated in Hong Kong and which is a wholly-owned subsidiary of the Company
“Property”	the property situated at 11/F., World-Wide House, 19 Des Voeux Road Central, Hong Kong.
“Richtop Investments”	Richtop Investments Ltd., a company incorporated in the Marshall Islands with limited liabilities and 100% of which is ultimately beneficially owned by the wife and children of Mr. Hwang Teh Hwa, Tony
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, approve the Acquisition Agreement, the Disposal Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”

Chyau Fwu Investment Limited, a company incorporated in Hong Kong with limited liability and which its entire issued share capital is owned by the Acquisition Vendors

“%”

per cent.

On behalf of the Board
Wong Kin Wah, George
Chairman

Hong Kong, 20 September 2010

As at the date of this announcement, the Board comprises Mr. Wong Kin Wah, George, Mr. Hwang Yiou Hwa, Victor, Mr. Hwang Yiu Hwa, Richard and Mr. Hwang Teh Hwa, Tony as Executive Directors and Mr. Lau Hon Chuen, Ambrose, G.B.S., J.P., Mr. Lam Kin Ming, Lawrence and Mr. Wu Kwok Cheung, MH as Independent Non-executive Directors.