



THE
HONG KONG PARKVIEW
GROUP LTD.

僑福建設企業機構

INTERIM REPORT 2007-2008

二零零七年至二零零八年度中期報告

Stock Code 股份代號:207

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INTERIM RESULTS

The Group's unaudited consolidated results for the six months ended 30 September 2007 are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 September (Unaudited)	
	<i>Notes</i>	2007 HK\$	2006 HK\$
Revenue	2	2,452,354	10,407,935
Cost of sales		(395,325)	(7,271,574)
Gross profit		2,057,029	3,136,361
Other income		40,601	52,257
Administrative expenses		(6,861,893)	(6,571,656)
Finance costs		(99,466)	(111,010)
Gain on disposal of a subsidiary		390	–
Gain on liquidation of an investee company		3,460,560	–
Net change in fair value of investments held for trading		381,000	497,718
Share of loss of an associate		(7,401,268)	(9,461,662)
Share of (loss) profit of a jointly controlled entity		(468,651)	288,865
Loss before taxation		(8,891,698)	(12,169,127)
Taxation	4	–	–
Loss for the period		(8,891,698)	(12,169,127)
Attributable to:			
Equity holders of the Company		(8,891,698)	(12,169,127)
Minority interests		–	–
		(8,891,698)	(12,169,127)
Loss per share – Basic	6	(1.66 cents)	(2.27 cents)

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CONDENSED CONSOLIDATED BALANCE SHEET

		30 September	31 March
		2007	2007
		(Unaudited)	(Audited)
<i>Notes</i>		HK\$	HK\$
NON-CURRENT ASSETS			
Property, plant and equipment		8,883,031	9,015,350
Interest in associates		8,400,699	15,375,492
Amount due from an associate	9	86,311,168	86,311,168
Interest in a jointly controlled entity		54,825,941	55,294,593
Available-for-sale investments		4,349,000	4,349,000
Other receivable		1,180,739	1,156,421
		163,950,578	171,502,024
CURRENT ASSETS			
Inventories		53,115	126,504
Accounts receivable and prepayments	8	2,861,964	5,172,200
Amounts due from associates	9	13,739,436	13,500,000
Investments held for trading		651,000	270,000
Bank balances and cash		3,918,877	8,318,939
		21,224,392	27,387,643
CURRENT LIABILITIES			
Accounts payable and accrued charges	10	2,824,485	3,634,475
Amount due to customers for contract work		280,183	97,868
Bills payable		-	1,103,916
Advance from an investee company		-	3,460,560
Amounts due to related companies		7,801,034	8,500,747
Tax payable		59,215	59,215
Dividend payable		885,225	885,225
Bank overdrafts		3,182,145	2,702,443
		15,032,287	20,444,449
NET CURRENT ASSETS		6,192,105	6,943,194
TOTAL ASSETS LESS CURRENT LIABILITIES		170,142,683	178,445,218
CAPITAL AND RESERVES			
Share capital		53,535,926	53,535,926
Reserves		69,713,515	78,016,050
Equity attributable to equity holders of the Company		123,249,441	131,551,976
NON-CURRENT LIABILITIES			
Amount due to a jointly controlled entity		37,207,534	37,207,534
Amount due to a related company		9,685,708	9,685,708
		46,893,242	46,893,242
		170,142,683	178,445,218

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007 (Unaudited)

	Share Capital	Capital redemption reserve	Capital reduction reserve	Investment revaluation reserve	Revaluation surplus	Contributed surplus	Exchange reserve	Deficit	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 2007	53,535,926	2,382,000	85,844,959	-	5,650,394	329,928,202	3,887,182	(349,676,687)	131,551,976
Exchange differences arising from translation of financial statements of foreign subsidiaries	-	-	-	-	-	-	162,687	-	162,687
Share of exchange reserve of an associate	-	-	-	-	-	-	426,476	-	426,476
Net loss for the period	-	-	-	-	-	-	-	(8,891,698)	(8,891,698)
At 30 September 2007	<u>53,535,926</u>	<u>2,382,000</u>	<u>85,844,959</u>	<u>-</u>	<u>5,650,394</u>	<u>329,928,202</u>	<u>4,476,345</u>	<u>(358,568,385)</u>	<u>123,249,441</u>
At 1 April 2006	53,535,926	2,382,000	85,844,959	(1,186,000)	-	329,928,202	(3,222,421)	(357,609,228)	109,673,438
Exchange differences arising from translation of financial statements of foreign subsidiaries	-	-	-	-	-	-	135,743	-	135,743
Net loss for the period	-	-	-	-	-	-	-	(12,169,127)	(12,169,127)
At 30 September 2006	<u>53,535,926</u>	<u>2,382,000</u>	<u>85,844,959</u>	<u>(1,186,000)</u>	<u>-</u>	<u>329,928,202</u>	<u>(3,086,678)</u>	<u>(369,778,355)</u>	<u>97,640,054</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended	
	30 September	
	(Unaudited)	
	2007	2006
	HK\$	HK\$
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(4,487,957)	3,105,574
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(250,246)	11,075,897
NET CASH USED IN FINANCING ACTIVITIES	(16,404)	(57,963)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(4,754,607)	14,123,508
CASH AND CASH EQUIVALENTS AT 1 APRIL	5,616,496	3,750,657
EFFECT ON FOREIGN EXCHANGE RATE CHANGES	(125,157)	24,856
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>736,732</u>	<u>17,899,021</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
BANK BALANCES AND CASH	3,918,877	20,005,449
BANK OVERDRAFTS	(3,182,145)	(2,106,428)
	<u>736,732</u>	<u>17,899,021</u>

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Notes to Condensed Consolidation Interim Financial Statements

1. Basis of preparation and accounting policies

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2007, except for the adoption of certain new standards, amendments and interpretations issued by the HKICPA which are effective on or after 1 April 2007. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

The Group has not early applied all the new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2007 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards.

These condensed consolidated interim financial statements should be read in conjunction with the 2007 annual financial statements. The financial information relating to the financial year ended 31 March 2007 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2007 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 20 July 2007.

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2. Segment information

Business segments

For management purposes, the Group is currently organised into three operating divisions – decoration contractor and trading of furniture, management services and investment holding. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

For the six months ended 30 September 2007 (Unaudited)

	Decoration contractor and trading	Management services	Investment holding	Consolidated
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
REVENUE	<u>397,215</u>	<u>1,972,077</u>	<u>83,062</u>	<u>2,452,354</u>
Segment result	<u>(976,228)</u>	<u>149,730</u>	<u>18,381</u>	<u>(808,117)</u>
Unallocated corporate expenses				(3,575,146)
Finance costs				(99,466)
Gain on disposal of a subsidiary				390
Gain on liquidation of an investee company				3,460,560
Share of loss of an associate				(7,401,268)
Share of loss of a jointly controlled entity				<u>(468,651)</u>
Loss before taxation				(8,891,698)
Taxation				<u>–</u>
Loss for the period				<u>(8,891,698)</u>

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2. Segment information *(Continued)*

Business segments (Continued)

For the six months ended 30 September 2006 (Unaudited)

	Decoration contractor and trading	Management services	Investment holding	Consolidated
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
REVENUE	7,598,937	2,687,740	121,258	10,407,935
Segment result	(599,146)	550,353	(173,824)	(222,617)
Unallocated corporate expenses				(2,662,703)
Finance costs				(111,010)
Share of loss of an associate				(9,461,662)
Share of profit of a jointly controlled entity				288,865
Loss before taxation				(12,169,127)
Taxation				-
Loss for the period				(12,169,127)

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2. Segment information *(Continued)*

Geographical segments

	Consolidated turnover		Contribution to Group results	
	Six months ended		Six months ended	
	30 September		30 September	
	(Unaudited)		(Unaudited)	
	2007	2006	2007	2006
	HK\$	HK\$	HK\$	HK\$
By geographical location:				
Hong Kong	89,227	6,928,347	(799,823)	(767,440)
The PRC	2,363,127	3,479,588	(8,294)	544,823
	2,452,354	10,407,935	(808,117)	(222,617)

3. Depreciation/Amortization

During the period, depreciation of HK\$0.14 million (2006: HK\$0.16 million) was charged in respect of the Group's property, plant and equipment.

4. Taxation

No provision for Hong Kong profits tax has been made in the financial statements as the group has no assessable profits for the period. Overseas taxes, if any, have been calculated at the rate of taxation prevailing in the respective jurisdictions in which the Group operates.

A deferred tax asset has not been recognized in the financial statements of the Group in respect of tax losses available to offset future profits as it is not certain that the losses will be utilized in the foreseeable future.

5. Dividends

The Directors do not propose any interim dividend for the period (2006: Nil).

6. Loss per share – basic

The calculation of loss per share – basic is based on the consolidated loss attributable to equity holders of the Company for the six months of HK\$8,891,698 (2006: loss of HK\$12,169,127) and on 535,359,258 (2006: 535,359,258) ordinary shares in issue during the period.

7. Reserves

There were no transfers to and from reserves during the six months ended 30 September 2007.

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8. Accounts receivable and prepayments

Included in accounts receivable and prepayments are trade debtors of HK\$1,794,494 (31 March 2007: HK\$4,260,821), net of allowance HK\$95,394 (31 March 2007: HK\$95,394). The Group allows an average credit period of 90 days to trade debtors. The aged analysis of trade debtors is as follows:

	30 September 2007 (Unaudited) HK\$	31 March 2007 (Audited) HK\$
Aged:		
0 – 60 days	204,423	3,062,920
61 – 90 days	–	21,304
More than 90 days	1,590,071	1,176,597
	1,794,494	4,260,821

9. Amount due from associates

As at 30 September 2007, the Group granted advances of HK\$100,050,604 to Nanjing Dingshan Garden Hotel Company Ltd., an associate of the Group. The unaudited balance sheet of Nanjing Dingshan Garden Hotel Company Ltd. as at 30 September 2007 is set out below:

	<i>HK\$</i>
Non-current assets	401,829,600
Current assets	21,069,519
Current liabilities	(76,725,732)
Non-current liabilities	(324,794,867)
	21,378,520

10. Accounts payable and accrued charges

Included in accounts payable and accrued charges are trade creditors of HK\$1,317,397 (31 March 2007: HK\$2,010,357) and bills payable of Nil (31 March 2007: HK\$1,103,916). The aged analysis of trade creditors and bills payable are as follows:

	30 September 2007 (Unaudited) HK\$	31 March 2007 (Audited) HK\$
Aged:		
0 – 60 days	–	2,932,914
More than 90 days	1,317,397	181,359
	1,317,397	3,114,273

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11. Related party transactions

- (a) During the period, the Group entered into the following transactions with related parties, including key management personnel and companies controlled or significantly influenced by management of the Group:

	Notes	Associates		Related companies (iii)	
		Six months ended 30 September (Unaudited)		Six months ended 30 September (Unaudited)	
		2007 HK\$	2006 HK\$	2007 HK\$	2006 HK\$
Management fee income received from	<i>i</i>	1,972,077	2,687,740	–	–
Building management fee paid to	<i>i</i>	–	–	62,628	60,102
General expenses paid to	<i>i</i>	–	–	205,900	203,726

- (b) Outstanding balance with related parties

	Notes	Associates		Jointly controlled entity		Related companies (iii)	
		30 September 2007 (Unaudited) HK\$	31 March 2007 (Audited) HK\$	30 September 2007 (Unaudited) HK\$	31 March 2007 (Audited) HK\$	30 September 2007 (Unaudited) HK\$	31 March 2007 (Audited) HK\$
Amount due from	<i>i i</i>	100,050,604	99,811,168	–	–	–	–
Amount due to	<i>i i</i>	–	–	37,207,534	37,207,534	17,486,742	18,186,455

- (c) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2007 (Unaudited) HK\$	2006 (Unaudited) HK\$
Short term employee benefits	1,496,400	1,628,400

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11. Related party transactions *(Continued)*

(c) Compensation of key management personnel of the Group *(Continued)*

Notes:

- (i) All transactions were carried out in the ordinary course of business, on normal commercial terms and at terms mutually agreed between both parties.
- (ii) The amounts are unsecured, interest-free and the amounts repayable within one year are classified as current assets/liabilities.
- (iii) Certain directors of the related companies are also the Company's directors and two directors of a related company are children of a Company's director. The amount is unsecured, interest-free and repayable on demand.

12. Share capital

	Number of ordinary shares of HK\$0.10 each	Nominal value HK\$
<i>Authorised:</i>	<u>8,500,000,000</u>	<u>850,000,000</u>
<i>Issued and fully paid:</i>		
At 1 April 2007 and 30 September 2007	<u>535,359,258</u>	<u>53,535,926</u>

13. Contingent liabilities

The Group had no significant contingent liabilities at the balance sheet date.

14. Charges on assets

The Group did not have any charge on its assets as at 30 September 2007 (2006: Nil).

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OPERATING RESULTS

The Group's turnover for the six months ended 30 September 2007 amounted to HK\$2,452,354. Loss attributed to equity holders of the Company for the period totaled HK\$8,891,698.

BUSINESS REVIEW & OUTLOOK

During the six months period ended 30 September 2007, the Group's main investments which consist mainly of property investments in China, were unable to generate a profit. Following the successful sale of the second phase of a property development project in Shanghai of a jointly controlled entity in the last financial year, the Group and its Shanghai partner are continually looking for further investment opportunities in Shanghai.

Meanwhile, the Group's interest in the hotel project in Nanjing, Nanjing Dingshan Garden Hotel, continued to suffer and incurred losses for the six months ended 30 September 2007, though the situation had improved when compared to the same period last year. During the reporting period, the Group has continued to discuss with its China partner the still unsettled issues over shareholding and completion of the second phase of the hotel. The Group hopes to work out an acceptable programme with its China partner to resolve these important issues and thereafter complete the stalled work of the project so the hotel will be able to generate positive results that will benefit both parties.

Despite concerns of an economic slowdown brought about by high oil prices and recent sub-prime credit failures in the US, the general economic outlook in China remains very promising. The Group believes that the macro-economic measures of the Central Government will steer the country's economy to a soft landing and enable it to grow in a healthy and sustainable manner. For this reason, such measures should be viewed positively in the longer term.

Property & Hospitality Division

Nanjing Dingshan Garden Hotel, Nanjing, China

Despite the 5-star hotel remains only partially completed and not operating at full capacity, the hotel managed to generate a positive contribution for the six months ended 30 September 2007. However, after allowing for interest on bank loan and depreciation, the joint venture company incurred a loss for the period. Nevertheless, the Group's share of loss in this project of HK\$7.4 million for the period ended 30 September 2007 (30 September 2006: HK\$9.5 million) was a significant improvement from last year. With a view to complete the stalled work and fully realizing the anticipated positive economic results of this investment, the Group hopes to resolve various important issues concerning shareholding and the second phase of the project with its China partner by working out an acceptable programme with them as soon as possible.

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BUSINESS REVIEW & OUTLOOK *(Continued)*

Property & Hospitality Division *(Continued)*

Shanghai Garden City, Shanghai, China

The second phase of this project was completed in the last financial year and all the residential units and a good number of shops were sold at satisfactory prices. Despite the new wave of government policies and measures to curb property speculation in mainland China, the joint venture company is now looking for new potential projects in Shanghai to rebuild its property investment portfolio. With its amicable working relationship with its Shanghai partner, the Group hopes to find good projects that will yield sustainable results for the Group in future.

Trading Sales and Contract Works

The project-based sales remained weak and only a few small projects were undertaken during the six months period ended 30 September 2007. This sector recorded modest revenues of approximately HK\$0.4 million for the reporting period and such a small sales volume, coupled with thin profit margins, was obviously inadequate to cover operating costs. In order to mitigate the impact of dropping sales, the Group continued to adopt stringent cost saving measures in this sector which included cutting down overheads during the reporting period as well as the periods ahead.

FINANCIAL POSITION

The financial position of the Group remained healthy as bank and cash balances exceeded total bank borrowings. The gearing ratio, representing the ratio of total bank borrowings to total assets, was 1.72% (31 March 2007: 1.36%).

All financial borrowings of the Group and the majority of income and expenses of the Group are dominated either in Yuan or Hong Kong Dollar. Hence the Group's exposure to fluctuations in the exchange rate is considered to be minimal and there is seldom the need to make use of financial instruments for hedging purposes.

As at 30 September 2007, the Group had HK\$6.2 million net current assets in hand. This forms a solid foundation for the Group's forthcoming expansion and development.

EMPLOYEES

As at 30 September 2007, the total number of employees in the Group was approximately 14.

The Group reviews remuneration packages from time to time and special adjustments are also made when required. Aside from salary payments other staff benefits include contributions to a retirement benefit scheme and medical insurance scheme.

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DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

At 30 September 2007, the interests of the directors and the chief executives and their associates in the shares, underlying shares and convertible bonds of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long Positions – Ordinary Shares of HK\$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Wong Kin Wah, George	Beneficial owner	2,000,000	0.4%
	Held by controlled corporation (Notes 1 & 2)	391,674,138	73.2%
		<hr/>	<hr/>
		393,674,138	73.6%
Hwang Yiu Hwa, Victor	Held by controlled corporation (Note 2)	293,674,138	54.9%
Hwang Yiu Hwa, Richard	Held by controlled corporation (Note 2)	293,674,138	54.9%
Hwang Teh Hwa, Tony	Held by controlled corporation (Note 2)	293,674,138	54.9%

Notes:

- 98,000,000 shares were held by High Return Trading Limited and in which Mr. Wong Kin Wah, George was deemed to have interests since he was entitled to exercise more than one-third of the voting power at the general meetings of High Return Trading Limited. This interest has also been disclosed under the section headed "SUBSTANTIAL SHAREHOLDERS".
- Messrs. Wong Kin Wah, George, Hwang Yiu Hwa, Victor, Hwang Yiu Hwa, Richard and Hwang Teh Hwa, Tony are directors and shareholders of Kompass International Limited which owned 293,674,138 shares in the Company. This interest has also been disclosed under the section headed "SUBSTANTIAL SHAREHOLDERS".

Other than as disclosed above, none of the directors, chief executives, nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 September 2007.

At no time during the six months ended 30 September 2007 was the Company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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SUBSTANTIAL SHAREHOLDERS

As at 30 September 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Future Ordinance shows that other than the interests disclosed above in respect of certain directors and chief executives, the following shareholders had an interest in 5% or more of relevant interests in the issued shares capital of the Company.

Long Positions – Ordinary Shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Kompass International Limited	Beneficial owner	293,674,138 (Note)	54.9%
High Return Trading Limited	Beneficial owner	98,000,000 (Note)	18.3%
Multi-Power International Limited	Beneficial owner	40,000,000	7.47%
Huang Jianquan	Beneficial owner	40,000,000	7.47%

Note: These shares represented the same parcel of shares as disclosed above under “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS IN THE SHARE CAPITAL OF THE COMPANY”.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 September 2007.

AUDIT COMMITTEE

The Audit Committee, comprising of three Independent Non-executive Directors, has reviewed with management the accounting principles and standard practices adopted by the Group and discussed auditing, internal control and financial reporting matters including review of the unaudited interim results for the six months ended 30 September 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 September 2007, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company’s listed securities.

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CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with an emphasis on the principles of transparency, accountability and independence. The Board of Directors of the Company (the "Board") considers that the Company has complied with the code provisions as set out in the Code of Corporate Governance Practices (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 September 2007, except for the following deviation:–

Code provision A.4.1 stipulates that Independent Non-executive Directors should be appointed for specific terms and subject to re-election. Prior to 28 August 2007, two of the three Independent Non-executive Directors of the Company, Mr. Wu Kwok Cheung and Mr. Lau Hon Chuen, Ambrose, *G.B.S., J.P.*, were appointed for terms of one year and three years respectively in compliance with the code provision. The third Independent Non-executive Director, Mr. Lam Kin Ming, Lawrence, was not appointed for a specific term as this was not a specific requirement of the Bye-laws of the Company at that time of his appointment in 2005. Nevertheless, all the Independent Non-executive Directors are subject to retirement by rotation in accordance with the Bye-laws of the Company. At the annual general meeting held on 28 August 2007, Mr. Lam was appointed as Independent Non-executive Director for a term of three years and thereafter, all the Independent Non-executive Directors of the Company were appointed for specific terms in compliance with the Code.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors have confirmed compliance with the required standard set out in the Model Code as provided in Appendix 10 to the Listing Rules for the six months ended 30 September 2007.

On behalf of the Board
Wong Kin Wah, George
Chairman

Hong Kong, 19 December 2007

As at the date of this report, the Board comprises Mr. Wong Kin Wah, George, Mr. Hwang Yiu 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 as Independent Non-executive Directors.

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