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If you have sold or transferred all your shares in **Talent Property Group Limited** (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer, registered institutions in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TALENT PROPERTY GROUP LIMITED

新天地產集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00760)

CONNECTED TRANSACTION IN RELATION TO

**(1) THE ENTERING INTO THE DEED OF AMENDMENT
AND THE SUPPLEMENTAL DEED
OF AMENDMENT FOR THE PROPOSED EXTENSION;**

AND

(2) NOTICE OF SGM

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



A letter of advice from Astrum Capital Management Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its opinion is set out on pages 19 to 36 of this circular. A notice convening a special general meeting of the Company to be held at Room 6, United Conference Centre, 10/F., United Centre, 95 Queensway, Hong Kong at 4:00 p.m. on Tuesday, 1 December 2015 is set out on pages 41 to 43 of this circular. If you are unable to attend the meeting in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, the branch share registrar of the Company in Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

* For identification purposes only

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DEFINITIONS

In this circular, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

“2010 Convertible Notes”	the outstanding zero coupon convertible notes in the aggregate principal amount of HK\$2,161.27 million as at the Latest Practicable Date issued by the Company which enable the holders thereof to convert into 6,549,303,029 new Shares
“Acquisition”	the acquisition of the entire issued share capital of Talent Central by Canton Million from Talent Trend under the Agreement
“Agreement”	the conditional sale and purchase agreement dated 6 July 2010 entered into between Canton Million and Talent Trend relating to the Acquisition
“Canton Million”	Canton Million Investments Limited, a limited liability company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“CN Amendment and Conversion”	the proposed amendment and subsequent conversion of the Talent Trend Convertible Notes, such that it may convert the Talent Trend Convertible Notes into new Shares of the Company resulting in it holding 30% or more in the enlarged issued share capital of the Company (which would involve obtaining a whitewash waiver by Talent Trend to waive the obligation of Talent Trend to make a mandatory general offer in respect of the securities of the Company under the Takeovers Code), which is currently at a stage of discussion
“Conversion Notice”	the notice issued by Top Rich Limited to the Company on 4 November 2015, for the exercise of the conversion rights under the 2010 Convertible Notes in the principal amount of HK\$170 million in accordance with the terms and conditions of the 2010 Convertible Notes
“Conversion Shares”	the new 6,484,393,939 Shares to be issued and allotted upon exercise of the conversion rights under the Talent Trend Convertible Notes as amended by the Deed of Amendment and the Supplemental Deed of Amendment

DEFINITIONS

“Deed of Amendment”	the deed of amendment dated 20 October 2015 entered into between the Company and Talent Trend relating to the amendment of the terms and conditions of the 2010 Convertible Notes in the principal amount of HK\$1,929.85 million
“Independent Board Committee”	the board committee comprising all the independent non-executive Directors to advise the Independent Shareholders as to the fairness and reasonableness of the Deed of Amendment, the Supplemental Deed of Amendment and the transactions contemplated thereunder
“Independent Financial Adviser”	Astrum Capital Management Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and Independent Shareholders on the Proposed Extension
“Independent Shareholders”	Shareholders of the Company other than Talent Trend, Mr. Zhang Gao Bin and his associates
“Last Trading Day”	20 October 2015, being the last trading day of the Shares immediately prior to the date of the announcement of the Company dated 20 October 2015
“Latest Practicable Date”	12 November 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Original Extension”	the proposed extension of the conversion period and maturity date to 10 December 2016 for the 2010 Convertible Notes held by Talent Trend in the principal amount of HK\$1,929.85 million
“Proposed Extension”	the proposed amendment to the terms of Talent Trend Convertible Notes which involves a one-year extension of both the conversion period and maturity date of the 2010 Convertible Notes (such that the maturity date will become 10 December 2016 from 10 December 2015) pursuant to the Deed of Amendment (as supplemented by the Supplemental Deed of Amendment)

DEFINITIONS

“Put Option”	the option granted by Talent Trend to Canton Million under the Agreement pursuant to which Canton Million has the right to require Talent Trend to buy back the entire interest of Talent Central within six months from completion of the Acquisition
“SFC”	the Securities and Futures Commission
“SGM”	the special general meeting of the Company to be held and convened for the Independent Shareholders to consider and approve, if thought fit, the Deed of Amendment, the Supplemental Deed of Amendment and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) of HK\$0.004 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deed of Amendment”	the supplemental deed dated 4 November 2015 entered into between the Company and Talent Trend relating to an addition of 2010 Convertible Notes in the principal amount of HK\$210 million to the Original Extension
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-Backs
“Talent Central”	Talent Central Limited, a limited liability company incorporated in the British Virgin Islands on 12 January 2010 and is wholly owned by Canton Million following completion of the Acquisition
“Talent Trend”	Talent Trend Holdings Limited, the ultimate beneficial owner of which is Mr. Zhang Gao Bin
“Talent Trend Convertible Notes”	the 2010 Convertible Notes in the principal amount of HK\$2,139.85 million held by Talent Trend as at the Latest Practicable Date, being the subject of the Proposed Extension
“Top Rich Conversion”	the conversion of the convertible notes in the principal amount of HK\$170 million, being the remaining convertible notes held by Top Rich Limited after completion of the Transfer on 4 November 2015
“Transfer”	a transfer of the 2010 Convertible Notes in the principal amount of HK\$210 million from Top Rich Limited to Talent Trend which took place on 4 November 2015



TALENT PROPERTY GROUP LIMITED

新天地產集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00760)

Executive Directors:

Mr. You Xiaofei (*Chairman*)

Mr. Luo Zhangguan

Independent non-executive Directors:

Mr. Lo Wai Hung

Ms. Pang Yuen Shan, Christina

Mr. Chan Chi Mong, Hopkins

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of business in Hong Kong:

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New Mandarin Plaza

No. 14 Science Museum Road

Tsim Sha Tsui East

Hong Kong

Principal place of business in the PRC:

25/F Tianlun Building

No. 45 Tianhe Road

Guangzhou, PRC

16 November 2015

To: the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO

**(1) THE ENTERING INTO THE DEED OF AMENDMENT
AND THE SUPPLEMENTAL DEED**

OF AMENDMENT FOR THE PROPOSED EXTENSION;

AND

(2) NOTICE OF SGM

INTRODUCTION

Reference is made to the announcement dated 19 July 2010 and the circular dated 29 October 2010 of the Company (the “**Acquisition Circular**”) in relation to, among other things, the Acquisition and the issue of the 2010 Convertible Notes, the announcement of the

* *For identification purposes only*

LETTER FROM THE BOARD

Company dated 20 October 2015 in relation to the Original Extension and the announcement of the Company dated 4 November 2015 in relation to the Supplemental Deed of Amendment and the Top Rich Conversion. Unless the context otherwise defines, capitalized terms used in this circular shall have the same meanings as those defined in the Acquisition Circular.

As at the Latest Practicable Date, the 2010 Convertible Notes in the principal amount of HK\$2,161.27 million remain outstanding. The current holders of the outstanding 2010 Convertible Notes and the respective values of their holdings are as follows:

- (i) Talent Trend, with the principal amount of HK\$2,139.85 million; and
- (ii) Best Executive Holdings Ltd., with the principal amount of HK\$21.42 million.

As disclosed on the Company's announcement dated 20 October 2015, Talent Trend and the Company entered into the Deed of Amendment in relation to the Original Extension, details of which are set out below. Pursuant to the terms of the Deed of Amendment, Talent Trend and the Company have agreed to the Original Extension conditional upon the satisfaction of: (a) obtaining the approval from the Stock Exchange; (b) obtaining Independent Shareholders' approval at the SGM; and (c) obtaining the approval from the Stock Exchange for the listing of, and permission to deal in the new Shares to be issued under the 2010 Convertible Notes which are subject to the Proposed Extension.

As advised by Talent Trend, the Transfer took place on 4 November 2015. Following the completion of the Transfer, Talent Trend holds 2010 Convertible Notes in an aggregate principal amount of HK\$2,139.85 million. The Board announced that on 4 November 2015, the Company entered into the Supplemental Deed of Amendment with Talent Trend in relation to an addition of 2010 Convertible Notes in the principal amount of HK\$210 million to the Original Extension. Pursuant to the terms of the Supplemental Deed of Amendment, Talent Trend and the Company have agreed to the Proposed Extension conditional upon the satisfaction of: (a) obtaining the approval from the Stock Exchange; (b) obtaining Independent Shareholders' approval at the SGM; and (c) obtaining the approval from the Stock Exchange for the listing of, and permission to deal in the new Shares to be issued under the 2010 Convertible Notes which are subject to the Proposed Extension. Save for the Proposed Extension, all other terms of the 2010 Convertible Notes in the principal amount of HK\$2,139.85 million held by Talent Trend remain unchanged.

On 4 November 2015, Top Rich Limited issued a Conversion Notice to the Company in relation to the Top Rich Conversion and the Company has issued 515,151,515 new Shares to Top Rich Limited pursuant to the Conversion Notice on 5 November 2015.

In the event that Best Executive Holdings Ltd. does not convert the 2010 Convertible Notes in the principal amount of HK\$21.42 million before the maturity date of the 2010 Convertible Notes that it currently holds, the Company will redeem such 2010 Convertible Notes in accordance with its terms from internal resources.

The purpose of this circular is to provide you with, among other things, (i) information on the Proposed Extension; and (ii) other information as required under the Listing Rules. This circular also contains a letter from the Independent Financial Adviser to the Independent Board

LETTER FROM THE BOARD

Committee and the Independent Shareholders in relation to the Proposed Extension, a letter of advice containing the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Proposed Extension and a notice of the SGM.

DEED OF AMENDMENT

Date

20 October 2015

Parties

- (i) the Company; and
- (ii) Talent Trend, being the holder of the 2010 Convertible Notes with the principal amount of HK\$1,929.85 million as at the date of the Deed of Amendment.

As at the Latest Practicable Date, Talent Trend is wholly-owned by Mr. Zhang Gao Bin. Mr. Zhang Gao Bin and his associates hold in aggregate 243,705,000 Shares of the Company, representing approximately 6.51% of the issued share capital of the Company as at the Latest Practicable Date.

Summary of terms

Pursuant to the Deed of Amendment, conditional on (i) prior approval having been obtained from the Stock Exchange; (ii) approval from the Independent Shareholders having been obtained at the SGM; and (iii) approval from the Stock Exchange having been obtained for the listing of, and permission to deal in, the Conversion Shares, both the conversion period and the maturity date of the 2010 Convertible Notes in a principal amount of HK\$1,929.85 million shall be extended by a period of one year, such that the maturity date will become 10 December 2016.

SUPPLEMENTAL DEED OF AMENDMENT

Date

4 November 2015

Parties

- (i) the Company; and
- (ii) Talent Trend, being the holder of the 2010 Convertible Notes with the principal amount of HK\$2,139.85 million as at the date of the Supplemental Deed of Amendment and the Latest Practicable Date.

LETTER FROM THE BOARD

Summary of terms

The Supplemental Deed of Amendment was entered into in relation to an addition of 2010 Convertible Notes in the principal amount of HK\$210 million to the Original Extension. Pursuant to the terms of the Supplemental Deed of Amendment, the Proposed Extension of the conversion period and maturity date to 10 December 2016 for the 2010 Convertible Notes in the principal amount of HK2,139.85 million shall be effective upon the satisfaction of: (a) obtaining the approval from the Stock Exchange; (b) obtaining Independent Shareholders' approval at the SGM; and (c) obtaining the approval from the Stock Exchange for the listing of, and permission to deal in the new Shares to be issued under the 2010 Convertible Notes which are subject to the Proposed Extension.

PRINCIPAL TERMS OF THE TALENT TREND CONVERTIBLE NOTES

The principal terms of the Talent Trend Convertible Notes are set out in the Acquisition Circular. Apart from the Proposed Extension as set out above, all other terms and conditions of the Talent Trend Convertible Notes remain intact and unchanged. The principal terms of the Talent Trend Convertible Notes, as amended by the Proposed Extension, are as follows:

Issuer	:	the Company
Principal amount	:	HK\$2,139.85 million
Extended maturity date	:	the sixth anniversary of the date of issue of the 2010 Convertible Notes, being 10 December 2016
Interest	:	the Talent Trend Convertible Notes shall accrue no interest

LETTER FROM THE BOARD

- Conversion price** : HK\$0.33 per new share issued and allotted upon exercise of the conversion rights under the Talent Trend Convertible Notes, subject to usual anti-dilution adjustments for, among others, (i) consolidation or subdivision of Shares; (ii) capitalisation of profits or reserves of the Company; (iii) capital distributions by the Company; (iv) rights issues of Shares or grant of warrants or options over Shares at a price which is less than 90% of the then market price of the Shares; (v) issues of securities to all shareholders of the Company by way of rights or grant to all shareholders by way of rights, options, warrants or other rights to subscribe for or purchase any securities; (vi) issue by the Company wholly for cash Shares at a price which is less than 90% of the then market price of the Shares; (vii) issue by the Company (otherwise than as mentioned in paragraphs (iv), (v) or (vi) above) wholly for cash any securities (other than the Talent Trend Convertible Notes) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a price which is less than 90% of the then market price of the Share; and (viii) modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned above so that following such modification the consideration per Share receivable by the Company in respect of such conversion, exchange or subscription is less than 90% of the then market price of the Shares. Each adjustment to the conversion price will be certified either by the auditors of the Company for the time being or by an approved financial adviser
- Conversion period** : the period commencing from the first Business Day after the expiry of the Put Option up to 4:00 p.m. (Hong Kong) time on the extended maturity date

LETTER FROM THE BOARD

- Conversion** : a holder of the Talent Trend Convertible Notes shall have the right at any time and from time to time during the conversion period to convert the whole or part of the outstanding principal amount of the Talent Trend Convertible Note(s) in minimum amount of HK\$500,000 or whole multiple thereof into Conversion Shares, save that if the outstanding principal amount of a Talent Trend Convertible Note is less than HK\$500,000 the whole (but not part only) of the outstanding principal amount of such Talent Trend Convertible Note shall be converted; provided that no Talent Trend Convertible Notes may be converted, to the extent that following such exercise (i) the minimum public float requirement of the Company as required under the Rules Governing the Listing of Securities on the Stock Exchange cannot be satisfied; or (ii) a holder of the Talent Trend Convertible Notes and parties acting in concert with it, taken together, will be interested in 29.9% or more of the then issued share capital of the Company or such other percentage that will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code; or (iii) if the holder of the Talent Trend Convertible Notes would otherwise be obliged to make a mandatory general offer under the Takeovers Code
- Transferability** : freely transferable in minimum amount of HK\$500,000 or whole multiple thereof (or such lesser amount as may represent the entire amount outstanding under a Talent Trend Convertible Note) during the conversion period but may not be transferred to a connected person of the Company without the prior consent of the Company
- Early redemption** : the Company may redeem the outstanding principal amount of the Talent Trend Convertible Notes or any part thereof in minimum amount of HK\$500,000 or whole multiple thereof at any time after the third anniversary from the date of the issue of the Talent Trend Convertible Notes at 100% of the face amount thereof
- Redemption on maturity** : the Company shall redeem any Talent Trend Convertible Notes that remains outstanding at 4:00 p.m. (Hong Kong time) on the maturity date at its principal amount, being 10 December 2016

LETTER FROM THE BOARD

Listing : the Talent Trend Convertible Notes will not be listed on the Stock Exchange or any other stock exchange

CONVERSION PRICE

The conversion price of HK\$0.33 per Conversion Share represents:

- (a) a premium of approximately 120% over the closing price of HK\$0.15 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (b) a premium of approximately 125.10% over the average closing price of approximately HK\$0.1466 per Share as quoted on the Stock Exchange for the five consecutive trading days ended up to and including the Latest Practicable Date.

REASONS FOR AND BENEFITS OF ENTERING INTO THE DEED OF AMENDMENT AND THE SUPPLEMENTAL DEED OF AMENDMENT

Pursuant to the terms of the 2010 Convertible Notes, the Company shall redeem all outstanding 2010 Convertible Notes at 4:00 p.m. on 10 December 2015, which as at the Latest Practicable Date, totals HK\$2,161.27 million.

The current level of cash, cash equivalents and current assets of the Group is not sufficient to meet the capital requirements of the Group for the purposes of satisfying the cash redemption of such 2010 Convertible Notes. Accordingly, the Company is in discussion with Talent Trend in relation to the CN Amendment and Conversion. As the implementation of the CN Amendment and Conversion will require, among other things, (i) the Stock Exchange's approval, (ii) the approval of Independent Shareholders at a special general meeting, and (iii) granting of a whitewash waiver by the SFC, it will take some time for the CN Amendment and Conversion to be completed. As such, the Proposed Extension will give the Company and Talent Trend more time to implement the CN Amendment and Conversion, which the Board believes is in the interests of the Company and its shareholders as a whole.

Financial position of the Group

As disclosed in the Company's 2014 annual report, as a result of various tightening measures against residential property market by the PRC Central Government, the residential market in Guangzhou was sluggish. The Group's revenue for the year ended 31 December 2014 reduced significantly, as compared with that for the year ended 31 December 2013. Separately, the Group recorded a loss from continuing operations of approximately RMB267.3 million and RMB258.7 million for the two years ended 31 December 2014 respectively.

As disclosed in the Company's 2015 interim report (the "**2015 Interim Report**"), the Group had RMB143.6 million (approximately HK\$181.8 million) of unaudited cash and cash equivalents as at 30 June 2015. As at 30 June 2015, the Group's unaudited current assets were approximately RMB1,953.8 million, the majority of which comprised of properties under development, amounted to approximately RMB1,433.2 million. The Board is of the view that it would be extremely difficult for the Group to sell these assets prior to the current maturity date

LETTER FROM THE BOARD

of the 2010 Convertible Notes. Furthermore, it would be very detrimental to the Company and the shareholders if the Group is required to sell these assets under timing pressure at a discounted price in order to partly redeem the 2010 Convertible Notes.

In addition, the Group's unaudited current liabilities exceeded its unaudited current assets by RMB1,036.6 million as at 30 June 2015. The reporting accountants of the Company included in its auditors' report dated 30 March 2015 an emphasis of matter paragraph drawing attention to the conditions which indicated the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Based on the above, the current level of cash and cash equivalents and current assets of the Group is not sufficient to meet the capital requirements of the Group for the purposes of satisfying the cash redemption of the 2010 Convertible Notes. The Board is of the view that the properties and projects of the Group are operational in nature and it would be detrimental to the Company and the Shareholders if the Group is required to dispose of these assets under time pressure at a discounted price in order to redeem the 2010 Convertible Notes.

Alternatives exhausted

The Company has already considered alternative ways of financing its upcoming redemption of the 2010 Convertible Notes, for its general working capital and other use: (i) bank borrowing: the Company has discussed with the various banks for refinancing scheme. Even with the Company agreeing to a high interest rate and stringent borrowing terms with the lending bank, the Company is unable to secure sufficient bank borrowing to satisfy the upcoming redemption of the 2010 Convertible Notes; and (ii) potential fund raising activities: the Company understands that given recent financial performance and financial position of the Group, and the potential size of the fund raising needed to redeem the 2010 Convertible Notes, it is highly unlikely that the Company can be successful in raising funds before the current maturity date of the 2010 Convertible Notes in the market even with a high discount. Accordingly, the Company remains unable to satisfy the funding required for the redemption of such outstanding amount of the 2010 Convertible Notes.

Financial effects of the Proposed Extension

As set out in the 2015 Interim Report, the Group had unaudited cash and cash equivalents of approximately RMB143.6 million, unaudited consolidated net current liabilities of approximately RMB1,036.6 million and unaudited consolidated net assets of approximately RMB201.3 million as at 30 June 2015. Based on the Directors' current review of the financial position of the Group, it would be very difficult for the Group to repay all the outstanding 2010 Convertible Notes upon maturity.

The Proposed Extension will enable the Group to delay a substantial cash outflow as the maturity date of the Talent Trend Convertible Notes is extended for a year. Although the Proposed Extension would not have any material adverse effects on the financial position of the Group, the Proposed Extension would release the liquidity and working capital pressure of the Group.

LETTER FROM THE BOARD

In addition, as the Talent Trend Convertible Notes are interest-free, the Proposed Extension would not have any material adverse effects on the financial performance of the Group. As at 30 June 2015, the Group had a gearing ratio of approximately 94.6% calculated based on the Group's total debts over its total assets. The Proposed Extension would not have any immediate effects on the gearing of the Group, but the Proposed Extension provides the Group with more time and flexibility to discuss with Talent Trend on the CN Amendment and Conversion. Upon full conversion of the Talent Trend Convertible Notes, the principal amount of HK\$2,139.85 million will be contributed to the equity of the Company, and the gearing of the Group will therefore be significantly reduced. As at 30 June 2015, the unaudited net assets value attributable to the Shareholders per Share is approximately RMB0.06. Taking into account the conversion price of the Talent Trend Convertible Notes of HK\$0.33, upon full conversion of the Talent Trend Convertible Notes, it is anticipated that the unaudited net assets value attributable to the Shareholders per Share would be enhanced.

Opinion of the Board

Given the circumstances, the Board considers that the conversion of the 2010 Convertible Notes would be the best outcome for the Company. The Company is currently in discussion with Talent Trend on the CN Amendment and Conversion; however, given the recent economic, market conditions and time pressure, the Company is unlikely to be able to complete the CN Amendment and Conversion, including obtaining Independent Shareholders' approval at the SGM and obtaining the whitewash waiver under the Takeovers Code, before the current maturity date of the 2010 Convertible Notes.

On this basis, the Board considers that a one-year extension of the conversion period and maturity date of the Talent Trend Convertible Notes would be in the interests of the Company and the Shareholders as a whole, as it will allow more time for the Company and Talent Trend to further discuss the terms of the CN Amendment and Conversion and to comply with the relevant regulatory requirements, including obtaining Independent Shareholders' approval.

In view of the above, the Directors consider that the terms of the Deed of Amendment and the Supplemental Deed of Amendment are fair and reasonable and the Proposed Extension is in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that the Talent Trend Convertible Notes are converted in full, a total number of 6,484,393,939 Shares will be issued, representing approximately 173.2% of the total issued share capital of the Company as at the Latest Practicable Date, and approximately 63.40% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

LETTER FROM THE BOARD

The following table sets out the shareholding structure of the Company (i) as at the date of this circular, (ii) immediately upon conversion by each holder of the 2010 Convertible Notes under the conversion restriction, and (iii) immediately upon the full conversion of the outstanding 2010 Convertible Notes as at the Latest Practicable Date, in each case assuming there being no other change in the share capital of the Company, save for the issue of the Shares upon the relevant conversion of the 2010 Convertible Notes:

Shareholders	As at		Immediately upon conversion		Immediately upon the full	
	the Latest Practicable Date		by each holder of the 2010		conversion of the outstanding	
	Shares	%	Shares	%	Shares	%
Winspark Venture Limited (Note 1)	829,509,340	22.16	829,509,340	16.31	829,509,340	8.06
Talent Trend (Note 2)	—	—	1,276,903,055	25.11	6,484,393,939	63.00
Mr. Zhang Gao Bin & his associates (Note 3)	243,705,000	6.51	243,705,000	4.79	243,705,000	2.37
Top Rich Limited (Note 4)	515,151,515	13.76	515,151,515	10.13	515,151,515	5.00
Best Executive Holdings Limited	—	—	64,909,090	1.28	64,909,090	0.63
Public Shareholders	<u>2,155,467,670</u>	<u>57.57</u>	<u>2,155,467,670</u>	<u>42.38</u>	<u>2,155,467,670</u>	<u>20.94</u>
Total:	<u>3,743,833,525</u>	<u>100.00</u>	<u>5,085,645,670</u>	<u>100.00</u>	<u>10,293,136,554</u>	<u>100.00</u>

Notes:

1. The entire issued share capital of Winspark Venture Limited is directly, beneficially and wholly owned by Mr. Chan Yuen Ming.
2. The entire issued share capital of Talent Trend is directly, beneficially and wholly owned by Mr. Zhang Gao Bin. He personally holds 104,465,000 shares of the Company, representing approximately 2.79% issued share capital of the Company.
3. This calculation excludes the Shares in the Company held by Talent Trend.
4. The entire issued share capital of Top Rich Limited is held by Ace Class Global Limited, which is directly, beneficially and wholly owned by Mr. Lee Hon Nam.
5. This is for illustration purposes only as the current terms of the Talent Trend Convertible Notes has certain restrictions on the conversion of the Talent Trend Convertible Notes. The Company is considering the CN Amendment and Conversion, such that Talent Trend may convert all of the Talent Trend Convertible Notes.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not undertaken any equity fund raising activity in the past twelve months immediately preceding the date of this circular.

APPLICATION FOR LISTING

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares. No listing of the Talent Trend Convertible Notes will be sought on the Stock Exchange or any other stock exchange.

LETTER FROM THE BOARD

SPECIFIC MANDATE

The Company will seek a specific mandate from the Independent Shareholders for the issue and allotment of the Conversion Shares.

INFORMATION ON THE GROUP

The Company is an investment holding company. Its subsidiaries are principally engaged in property development, investment and management in the PRC.

INFORMATION ON TALENT TREND

Talent Trend is an investment holding company with limited liability incorporated in the British Virgin Islands.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The application for approval for the Proposed Extension has been submitted to the Stock Exchange. Pursuant to Rule 13.36(1) of the Listing Rules, the Company must obtain shareholders' approval for the Proposed Extension at a general meeting.

Mr. Zhang Gao Bin is the president of certain subsidiaries of the Company, and as a result is a "connected person" within the meaning of the Listing Rules. Therefore, Talent Trend which is held as to 100% by Mr. Zhang Gao Bin is an "associate" of Mr. Zhang Gao Bin within the meaning of the Listing Rules. Accordingly, the Proposed Extension pursuant to the Deed of Amendment and the Supplemental Deed of Amendment between the Company and Talent Trend as a connected person constitutes a connected transaction under Chapter 14A of the Listing Rules and will be subject to reporting and announcement requirements, as well as approval by the Independent Shareholders at the SGM.

The Independent Board Committee, comprising Mr. Lo Wai Hung, Ms. Pang Yuen Shan, Christina and Mr. Chan Chi Mong, Hopkins, being all independent non-executive Directors, has been established by the Company to advise the Independent Shareholders as to whether the terms of the Deed of Amendment and the Supplemental Deed of Amendment are fair and reasonable, and whether the Deed of Amendment, the Supplemental Deed of Amendment and the Proposed Extension contemplated thereunder are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote at the SGM. Astrum Capital Management Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

SGM

The SGM will be held at 4:00 p.m. on Tuesday, 1 December 2015 at Room 6, United Conference Centre, 10/F., United Centre, 95 Queensway, Hong Kong for the purpose of considering, and if thought fit, approving, among other things, the Proposed Extension.

The notice convening the SGM is set out on pages 41 to 43 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to Computershare Hong Kong Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the accompanying form of proxy will not prevent you from attending and voting at the SGM or any adjournment thereof should you so wish.

Only Shareholders who do not have a material interest in the Deed of Amendment and the Supplemental Deed of Amendment can vote on the aforesaid resolutions at the SGM. As at the Latest Practicable Date, Mr. Zhang Gao Bin and his associates hold in aggregate 243,705,000 Shares of the Company, representing approximately 6.51% of the issued share capital of the Company. Accordingly, Mr. Zhang Gao Bin and his associates will not vote on any of the resolutions to be proposed at the SGM. As far as the Directors are aware, having made all reasonable enquiries as at the Latest Practicable Date, Mr. Zhang Gao Bin and his associates controlled or were entitled to exercise control over the voting rights in respect of their respective Shares.

No other Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM. Other than Mr. Luo Zhangguan, an Executive Director of the Company and being a cousin of Mr. Zhang Gao Bin, no other Directors of the Company has a material interest in the Deed of Amendment and the Supplemental Deed of Amendment. Mr. Luo Zhangguan has abstained from voting on the Board resolutions approving the same.

In compliance with the Listing Rules, the resolution(s) will be voted on by way of poll at the SGM. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

Having considered the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Deed of Amendment and the Supplemental Deed of Amendment are fair and reasonable and the Proposed Extension is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Shareholders to vote in favor of the resolution to approve the Proposed Extension at the SGM.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms and conditions of the Deed of Amendment and the Supplemental Deed of Amendment are fair and reasonable and the Proposed Extension is in the interests of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions approving the Proposed Extension to be proposed at the SGM. Your attention is drawn to the letter from the Independent Board Committee set out on pages 17 and 18 of this circular which contains their recommendation to the Independent Shareholders and the letter of advice from the Independent Financial Adviser set out on pages 19 to 36 of this circular containing its advice to the Independent Board Committee and the Independent Shareholders on the Proposed Extension.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

By Order of the Board
Talent Property Group Limited
You Xiaofei
Chairman



TALENT PROPERTY GROUP LIMITED

新天地产集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00760)

Independent Board Committee:

Mr. Lo Wai Hung

Ms. Pang Yuen Shan, Christina

Mr. Chan Chi Mong, Hopkins

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

16 November 2015

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO

**(1) THE ENTERING INTO THE DEED OF AMENDMENT
AND THE SUPPLEMENTAL DEED
OF AMENDMENT FOR THE PROPOSED EXTENSION;
AND
(2) NOTICE OF SGM**

We refer to the circular of which this letter forms a part. Terms defined in the circular shall have the same meanings when used herein unless the context otherwise requires.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether, in our opinion, the terms and conditions of the Deed of Amendment and the Supplemental Deed of Amendment are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and whether the Deed of Amendment, the Supplemental Deed of Amendment and the Proposed Extension contemplated thereunder are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Astrum Capital Management Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Extension.

Having considered the recommendation and advice of the Independent Financial Adviser, we consider that the terms and conditions of the Deed of Amendment and the Supplemental Deed of Amendment are on normal commercial terms and are fair and reasonable so far as the

* For identification purposes only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Independent Shareholders are concerned, and that the Deed of Amendment, the Supplemental Deed of Amendment and the Proposed Extension contemplated thereunder are in the interests of the Company and the Shareholders as a whole, although it is not conducted in the ordinary and usual course of business of the Company. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to approve the Proposed Extension at the SGM.

Yours faithfully,
The Independent Board Committee
Mr. Lo Wai Hung
Ms. Pang Yuen Shan, Christina
Mr. Chan Chi Mong, Hopkins

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Astrum Capital Management Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Extension for the purpose of inclusion in this circular.



16 November 2015

*To the Independent Board Committee and
the Independent Shareholders of
Talent Property Group Limited*

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO THE ENTERING INTO OF THE DEED OF AMENDMENT AND THE SUPPLEMENTAL DEED OF AMENDMENT FOR THE PROPOSED EXTENSION

INTRODUCTION

We refer to our engagement as the independent financial adviser to (i) make recommendations to the independent board committee (the “**Independent Board Committee**”) and the independent shareholders (the “**Independent Shareholders**”) of Talent Property Group Limited (the “**Company**”) in relation to the proposed amendment to the terms of the Talent Trend Convertible Notes which involves a one-year extension of both the conversion period and maturity date of the 2010 Convertible Notes pursuant to the Deed of Amendment (as supplemented by the Supplemental Deed of Amendment) (the “**Proposed Extension**”). The details of the Proposed Extension were disclosed in the announcements of the Company dated 20 October 2015 and 4 November 2015 (the “**Announcements**”) and in the letter from the board (the “**Letter from the Board**”) set out on pages 4 to 16 of the circular of the Company dated 16 November 2015 (the “**Circular**”) to its shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 20 October 2015, Talent Trend and the Company entered into the Deed of Amendment in relation to the Original Extension. Pursuant to the Deed of Amendment, Talent Trend and the Company have agreed to the Original Extension conditional upon the satisfaction of: (a)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

obtaining the approval from the Stock Exchange; (b) obtaining Independent Shareholders' approval at the SGM; and (c) obtaining the approval from the Stock Exchange for the listing of, and permission to deal in the new Shares to be issued under the 2010 Convertible Notes which are subject to the Original Extension.

On 4 November 2015, a transfer of the 2010 Convertible Notes in the principal amount of HK\$210 million from Top Rich Limited to Talent Trend took place such that Talent Trend holds the 2010 Convertible Notes in an aggregate principal amount of HK\$2,139.85 million. On 4 November 2015, the Company entered into the Supplemental Deed of Amendment with Talent Trend in relation to an addition of the 2010 Convertible Notes in the principal amount of HK\$210 million to the Original Extension. Pursuant to the terms of the Supplemental Deed of Amendment, Talent Trend and the Company have agreed to the Proposed Extension conditional upon the satisfaction of: (a) obtaining the approval from the Stock Exchange; (b) obtaining Independent Shareholders' approval at the SGM; and (c) obtaining the approval from the Stock Exchange for the listing of, and permission to deal in the new Shares to be issued under the 2010 Convertible Notes which are subject to the Proposed Extension. Save for the Proposed Extension, all other terms of the 2010 Convertible Notes in the principal amount of HK\$2,139.85 million held by Talent Trend remain unchanged.

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The application for approval for the Proposed Extension has been submitted by the Company to the Stock Exchange. Pursuant to Rule 13.36(1) of the Listing Rules, the Company must obtain shareholders' approval for the Proposed Extension at a general meeting.

Mr. Zhang Gao Bin is the president of certain subsidiaries of the Company, and as a result is a "connected person" within the meaning of the Listing Rules. Therefore, Talent Trend which is held as to 100% by Mr. Zhang Gao Bin is an "associate" of Mr. Zhang Gao Bin within the meaning of the Listing Rules. Accordingly, the Proposed Extension pursuant to the Deed of Amendment and the Supplemental Deed of Amendment between the Company and Talent Trend as a connected person constitutes a connected transaction under Chapter 14A of the Listing Rules and will be subject to reporting and announcement requirements, as well as approval by the Independent Shareholders at the SGM.

As at the Latest Practicable Date, Mr. Zhang Gao Bin and his associates held in aggregate of 243,705,000 Shares, representing approximately 6.51% of the entire issued share capital of the Company. Since Mr. Zhang Gao Bin has material interests in the Deed of Amendment and the Supplemental Deed of Amendment, Mr. Zhang Gao Bin and his associates will abstain from voting on any of the resolutions to be proposed at the SGM. As far as the Directors are aware, having made all reasonable enquiries as at the Latest Practicable Date, Mr. Zhang Gao Bin and his associates controlled or were entitled to exercise control over the voting rights in respect of their respective Shares. Save for the aforesaid, no other Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Other than Mr. Luo Zhangguan, an Executive Director and being a cousin of Mr. Zhang Gao Bin, no other Directors have a material interest in the Deed of Amendment and the Supplemental Deed of Amendment. Mr. Luo Zhangguan has abstained from voting on the board resolutions approving the same.

An Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lo Wai Hung, Ms. Pang Yuen Shan, Christina and Mr. Chan Chi Mong, Hopkins, has been formed to advise the Independent Shareholders as to whether (i) the terms of the Deed of Amendment and the Supplemental Deed of Amendment are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the entering into of the Deed of Amendment and the Supplemental Deed of Amendment is in the interests of the Company and the Shareholders as a whole, and to make recommendations to the Independent Shareholders in respect thereof. We, Astrum Capital Management Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have reviewed, *inter alia*, the Announcements, the Circular, the Deed of Amendment, the Supplemental Deed of Amendment, the Agreement, the circular of the Company dated 29 October 2010 in relation to the Acquisition (the “**Acquisition Circular**”), the annual report of the Company for the financial year ended 31 December 2014 (the “**2014 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2015 (the “**2015 Interim Report**”). We have also reviewed certain information provided by the management of the Company (the “**Management**”) relating to the operations, financial condition and prospects of the Group. We have also (i) considered such other information, analysis and market data which we deemed relevant; and (ii) conducted verbal discussions with the Management regarding the terms of the Deed of Amendment and the Supplemental Deed of Amendment, the businesses and future outlook of the Group. We have assumed that such information and statements, and any representation made to us, are true, accurate and complete in all material respects as of the date hereof and we have relied upon them in formulating our opinion.

All Directors collectively and individually accept full responsibility in providing information of the Company in the Announcements and the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Announcements and the Circular is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters not contained in the Announcements and the Circular, the omission of which would make any statement herein or in the Announcements and the Circular misleading. We consider that we have performed all necessary steps to enable us to reach an informed view regarding the terms of, and the reasons for entering into, the Deed of Amendment and the Supplemental Deed of Amendment and to justify our reliance on the information provided so as to provide a reasonable basis of our opinion. We have no reasons to suspect that any material information has been withheld by the Directors or the Management, or is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the businesses or affairs or future prospects of the Group. Our opinion is necessarily based on

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date. This letter is issued to provide information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the entering into of the Deed of Amendment and the Supplemental Deed of Amendment. Except for the inclusion in the Circular, this letter should not be quoted or referred to, in whole or in part, nor shall it be used for any other purposes, without our prior written consent.

Unless otherwise specified in this letter, amounts denominated in RMB have been converted to HK\$ at a rate of RMB1.000 to HK\$1.219.

INDEPENDENCE DECLARATION

Apart from the normal advisory fees payable to us in respect of the relevant engagement in relation to the Deed of Amendment and the Supplemental Deed of Amendment, no other arrangement exists whereby we will receive any fees and/or benefits from the Group. As at the Latest Practicable Date, we were not aware of any relationships or interests between Astrum Capital Management Limited, the Company, Mr. Zhang Gao Bin and Talent Trend, and/or any of their respective substantial shareholders, directors or chief executive, or any of their respective associates. Accordingly, Astrum Capital Management Limited is independent as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Deed of Amendment and the Supplemental Deed of Amendment.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice with regard to the entering into of the Deed of Amendment and the Supplemental Deed of Amendment, we have taken into consideration the following factors and reasons:

1. Information on the Group

In previous years, the Group has undergone certain reorganisation of its businesses and projects with an objective to streamline its operation into more property focus in first-tier cities in the PRC. As at the Latest Practicable Date, the Group is principally engaged in the businesses of (i) real estate development; (ii) property investment; and (iii) property management in Guangzhou, the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The table below summarizes the audited consolidated financial results of the Group for the two years ended 31 December 2013 and 31 December 2014 (“**FY2013**” and “**FY2014**”, respectively) and the unaudited consolidated financial results of the Group for the six months ended 30 June 2014 and 30 June 2015 (“**PE2014**” and “**PE2015**”, respectively) as extracted from the 2014 Annual Report and the 2015 Interim Report:

Table 1: Summary of the consolidated financial results of the Group

	FY2013 (audited) <i>RMB'000</i>	FY2014 (audited) <i>RMB'000</i>	PE2014 (unaudited) <i>RMB'000</i>	PE2015 (unaudited) <i>RMB'000</i>
Revenue from continuing operations	397,413	185,710	11,423	208,438
— Properties development	376,472	175,403	6,501	199,946
— Properties investment	9,194	8,999	4,052	6,807
— Properties management	11,747	1,308	870	1,685
Loss for the year/period from continuing operations	(267,265)	(258,687)	(144,999)	(27,662)
Profit for the year/period from discontinued operations	9,597	276,415	5,411	—
Profit/(loss) for the year/period	(257,668)	17,728	(139,588)	(27,662)
	As at 31 December 2013 (audited) <i>RMB'000</i>	As at 31 December 2014 (audited) <i>RMB'000</i>		As at 30 June 2015 (unaudited) <i>RMB'000</i>
Cash and cash equivalents	399,938	247,542		143,566
Current assets	4,158,191	2,432,955		1,953,783
Current (liabilities)	(3,276,972)	(3,278,537)		(2,990,347)
Net current assets/(liabilities)	881,219	(845,582)		(1,036,564)
Net assets	244,502	221,991		201,285

(i) For the year ended 31 December 2014 (i.e. FY2014)

In December 2014, the Group completed the disposal of 100% equity interest of Guangzhou Junyu Hotel Investment Limited. In accordance with relevant terms as stipulated in the sales and purchase agreements and its supplements, the Group recorded a gain of RMB276.4 million from such discontinued operation in FY2014. Detail of the disposal was stated in the circular of the Company dated 26 June 2013.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As a result of the various tightening measures against residential property market initiated by central government, the residential market in Guangzhou was sluggish in 2014. For FY2014, the Group recorded revenue from its continuing operations of approximately RMB185.7 million as compared to approximately RMB397.4 million for FY2013. Such decrease was mainly attributable to (i) the decrease in sale of properties from approximately RMB376.5 million in FY2013 to approximately RMB175.4 million in FY2014; and (ii) the decrease in revenue from property management business from approximately RMB11.7 million in FY2013 to approximately RMB1.3 million in FY2014, which was, in turn, due to the redevelopment of the entire commercial building located at No. 18 Zhan Xi Road of Liwan District in Guangzhou into a 10-storey complex building, namely Talent Shoes Trading Center (天倫鞋業交易中心). In FY2014, the Group recorded profit of approximately RMB17.7 million, as compared to loss of approximately RMB257.7 million in FY2013.

As at 31 December 2014, the Group's cash and cash equivalents amounted to approximately RMB247.5 million, representing a decrease of approximately RMB152.4 million as compared to FY2013. The decrease was generally due to the net cash used in operating activities of approximately RMB216.6 million. As at 31 December 2014, the Group's current assets and current liabilities amounted to approximately RMB2,433.0 million and approximately RMB3,278.5 million, respectively, resulting in a net current liabilities position of approximately RMB845.6 million. The significant increase in the current liabilities was mainly due to the reclassification of the 2010 Convertible Notes at fair value of approximately RMB1,721.9 million from non-current liabilities to current liabilities. As stated in the note 2.2 "*Going Concern Basis*" of the Consolidated Financial Statements of the Group in FY2014 in the 2014 Annual Report, such condition indicated the existence of a material uncertainty which might cast significant doubt on the Group's ability to continue as a going concern (the "**Going Concern Issue**"). The Group might be unable to realise its assets at its carrying amounts in the normal course of business and discharge its liabilities. In response to the Going Concern Issue, the Group had discussed with Talent Trend, the major holder of the 2010 Convertible Notes. At that moment, Talent Trend would consider arrangements including using part of the properties of the Group to set off all or portion of the 2010 Convertible Notes, and/or exercising all or portion of the conversion rights of the 2010 Convertible Notes, and/or accepting extension of the maturity date of all or portion of the 2010 Convertible Notes and/or any other feasible and permissible way to resolve this outstanding issue instead of demanding cash repayment. The Directors considered that agreement with Talent Trend can likely be reached. In addition, the Directors would consider possible equity and/or debt fund raising exercise as and when appropriate to improve the Group's cash flow position.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *For the six months ended 30 June 2015 (i.e. PE2015)*

According to the 2015 Interim Report, residential property markets in tier-1 and tier-2 cities recovered steadily after several rounds of reduction of the RMB benchmark interest rates for deposits and loans as well as the reserve requirement ratio by the People's Bank of China, and driven by the easing of strict home purchase restrictions in most cities in China and the introduction of relevant taxation policies. The Group's revenue from the continuing operations increased significantly from approximately RMB11.4 million in PE2014 to approximately RMB208.4 million in PE2015. The improvement was principally due to the continual delivery of the newly completed luxury high-rise residential units in Guangzhou since the fourth quarter of 2014. As a result of the increase in revenue, coupled with (i) the decrease in administrative and other operating expenses from approximately RMB73.5 million in PE2014 to approximately RMB35.6 million in PE2015; (ii) profit of approximately RMB33.4 million shared from an associate in PE2015, as compared with loss of approximately RMB2.0 million in PE2014; and (iii) the increase in fair value on derivative financial instrument of approximately RMB45.1 million in PE2015, as compared to the decrease of approximately RMB5.8 million in PE2014, the Group's loss for the period reduced substantially from approximately RMB139.6 million in PE2014 to approximately RMB27.7 million in PE2015.

As at 30 June 2015, the Group's cash and cash equivalents further decreased to approximately RMB143.6 million as compared to approximately RMB247.5 million as at 31 December 2014. The decrease was generally due to the net cash used in operating activities of approximately RMB62.5 million and the repayment of bank loans of approximately RMB187.0 million. As at 30 June 2015, the Group's net current liabilities amounted to approximately RMB1,036.6 million. As stated in the note 3 "Going Concern Basis" of the Condensed Consolidated Financial Statements of the Group in PE2015 in the 2015 Interim Report, the Going Concern Issue remained outstanding.

2. Information on Talent Trend

Talent Trend is an investment holding company with limited liability incorporated in the British Virgin Islands.

3. Background of and reasons for entering into the Deed of Amendment and the Supplemental Deed of Amendment

On 6 July 2010, Canton Million, a wholly-owned subsidiary of the Company, and Talent Trend entered into the Agreement pursuant to which Talent Trend had conditionally agreed to sell, and Canton Million had conditionally agreed to purchase, the entire issued share capital of Talent Central. Pursuant to the Agreement and as part of the consideration for the Acquisition, the Company issued the 2010 Convertible Notes in the principal amount of HK\$3,100 million to Talent Trend on 10 December 2010. The 2010 Convertible Notes do not bear interest and are convertible into the conversion shares under the specific mandate granted by the then Shareholders on 19 November 2010 at a conversion price of HK\$0.33 per conversion share (the "Initial Conversion Price")

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(subject to adjustments). Unless previously redeemed, repurchased, cancelled or converted, any outstanding 2010 Convertible Notes shall be redeemed on the date falling on the fifth anniversary of the date of issue of the 2010 Convertible Notes (i.e. 10 December 2015) (the “**Original Maturity Date**”). For further details of the Agreement, please refer to the Acquisition Circular.

Following the Acquisition and as a result of a number of transfers, conversions and cancellations, including the Transfer and the Top Rich Conversion taken place on 4 November 2015, as at the Latest Practicable Date, the outstanding principal amount of the 2010 Convertible Notes amounted to HK\$2,161.27 million. The table below sets forth the holders of the outstanding 2010 Convertible Notes as at the Latest Practicable Date:

Holders of the 2010 Convertible Notes	Outstanding principal amount of the 2010 Convertible Notes as at the Latest Practicable Date
1. Talent Trend	HK\$2,139.85 million
2. Best Executive Holdings Limited <i>(Note)</i>	HK\$21.42 million

Note: As advised by the Management, Best Executive Holdings Limited is independent of and not connected with the Company. In the event that Best Executive Holdings Limited does not convert the 2010 Convertible Notes in the principal amount of HK\$21.42 million before the Original Maturity Date that it currently holds, the Company will redeem such 2010 Convertible Notes in accordance with its terms from internal resources.

As mentioned in the paragraph headed “1. Information of the Group” above, in FY2014, the reclassification of the 2010 Convertible Notes from non-current liabilities to current liabilities triggered the significant increase in the current liabilities of the Group and led to the Going Concern Issue. As at the Latest Practicable Date, the outstanding principal amount of the 2010 Convertible Notes of HK\$2,161.27 million (equivalent to approximately RMB1,773.0 million) respectively represented approximately 47.8% of the total assets of the Group as at 30 June 2015 and approximately 90.7% of the current assets of the Group as at 30 June 2015. With cash and cash equivalents of approximately RMB143.6 million as at 30 June 2015, the Management envisages that the Group would not be able to redeem the outstanding principal of the 2010 Convertible Notes before the Original Maturity Date.

The Management has been in long negotiation with Talent Trend, who holds majority of the outstanding principal amount of the 2010 Convertible Notes, on various measures and any other feasible and permissible way to deal with the maturity of the 2010 Convertible Notes instead of demanding cash repayment. As mentioned in the Letter from the Board, assuming that the Talent Trend Convertible Notes are converted in full, a total number of 6,484,393,939 Shares will be issued, representing approximately 173.2% of the total issued share capital of the Company as at the Latest Practicable Date, and approximately 63.4% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. As such, the full conversion of the Talent Trend Convertible

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes would breach the term of the 2010 Convertible Notes that the holder and parties acting in concert with it, taken together, cannot be interested in 29.9% or more of the then issued share capital of the Company or such other percentage that will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code.

The Company is currently in the discussion with Talent Trend on the possibility and feasibility of the CN Amendment and Conversion such that full conversion of the Talent Trend Convertible Notes would be allowed. However, given the recent economic and market conditions as well as time pressure, the Company anticipated that the CN Amendment and Conversion is unlikely to be completed on or before the Original Maturity Date. In the interest of time, on 20 October 2015, the Company and Talent Trend entered into the Deed of Amendment, pursuant to which the Company and Talent Trend mutually agreed to extend the conversion period and the maturity date of the 2010 Convertible Notes held by Talent Trend in the principal amount of HK\$1,929.85 million for a year to the Extended Maturity Date. On 4 November 2014, the Company and Talent Trend entered into the Supplemental Deed of Amendment such that the maturity date for the 2010 Convertible Notes in the principal amount of HK\$210 million transferred from Top Rich Limited to Talent Trend would also be extended to the Extended Maturity Date. According to the Circular, the CN Amendment and Conversion would involve obtaining a whitewash waiver by Talent Trend to waive the obligation of Talent Trend to make a mandatory general offer in respect of the securities of the Company under the Takeovers Code. Based on our understanding, in normal circumstances, the obtaining of a whitewash waiver would take a few months or more to complete. In such circumstance, we concur with the Management's view that the Proposed Extension will spare more time for the Company and Talent Trend to further discuss the terms of the CN Amendment and Conversion and at the same time, release the immediate liquidity and working capital pressure of the Group.

Upon enquiry, the Management advised us that they had considered alternative means of satisfying the cash redemption of the outstanding 2010 Convertible Notes (such as by way of bank borrowings and equity financing) other than the Proposed Extension. Given the current unsatisfactory financial performance and position of the Group (in particular, the net current liabilities position of approximately RMB1,036.6 million as at 30 June 2015), the Management believes that it is unable for the Group to secure sufficient bank borrowing to satisfy the upcoming redemption of the 2010 Convertible Notes even with the Company agreeing to a high interest rate and stringent borrowing terms with the lending bank. In respect of equity financing (such as placing of Shares, open offer and rights issue), the Management considers it highly unlikely for the Company to successfully raise sufficient funds before the Original Maturity Date given the recent financial performance and financial position of the Group, as well as the potential size of the fund raising needed to redeem the 2010 Convertible Notes. Having considered that (i) the outstanding principal amount of the 2010 Convertible Notes of HK\$2,161.27 million (equivalent to approximately RMB1,773.0 million) represented approximately 47.8% of the total assets of the Group as at 30 June 2015 and approximately 90.7% of the current assets of the Group as at 30 June 2015, respectively; (ii) the Group recorded a loss of approximately RMB27.7 million in PE2015, we concur with the Management's view that bank borrowings and equity financing are unlikely

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

achievable and the Proposed Extension is the most desirable and feasible means for the Group to alleviate the cash redemption pressure of the majority portion of the 2010 Convertible Notes.

As advised by the Management, the Company has also considered disposing of certain assets so as to secure sufficient cash for the redemption of the 2010 Convertible Notes. As at 30 June 2015, the Group's current assets were approximately RMB1,953.8 million, the majority of which comprised properties under development of approximately RMB1,433.2 million. The Management is of the view that the properties and projects of the Group are operational in nature and it would be detrimental to the Company and the Shareholders if the Company is required to dispose of these assets under time pressure at a discounted price in order to redeem the 2010 Convertible Notes. Having considered that (i) disposal of the Group's properties and projects would affect the normal operation and development plan of each of the properties and projects, and in turn affect the future source of revenue and profit of the Group; (ii) it takes time for the Group to identify and negotiate with potential buyers for possible disposal of properties and projects, we concur with the Management's view that it would be difficult for the Group to dispose of the assets prior to the Original Maturity Date and is not in the interests of the Company and the Shareholders as a whole.

Having considered the facts that (i) the Company would not have sufficient cash to satisfy the cash redemption of the outstanding 2010 Convertible Notes upon the Original Maturity Date; (ii) full conversion of the 2010 Convertible Notes is not allowed according to the terms of the 2010 Convertible Notes; (iii) the Proposed Extension will alleviate the cash redemption pressure of the majority portion of the 2010 Convertible Notes on the Group without further intensifying the gearing ratio of the Group, and at the same time, spare more time for the Company and Talent Trend to further discuss the terms of the CN Amendment and Conversion; and (iv) the Proposed Extension is the most desirable and feasible means for the Group to alleviate the cash redemption pressure of the majority portion of the 2010 Convertible Notes as compared with other possible financing methods, we concur with the Management's view that the Proposed Extension is in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Deed of Amendment and the Supplemental Deed of Amendment and the Talent Trend Convertible Notes

Pursuant to the Deed of Amendment and the Supplemental Deed of Amendment, both of the conversion period and the maturity date of the Talent Trend Convertible Notes shall be extended by a period of one year, such that the Extended Maturity Date will become 10 December 2016. As advised by the Management, the Proposed Extension was arrived at after arm's length negotiations between the Company and Talent Trend. Save and except for the Proposed Extension as mentioned above, all other terms and conditions of the Talent Trend Convertible Notes remain intact and unchanged.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below are the principal terms of the Talent Trend Convertible Notes:

Conversion price: HK\$0.33 per Conversion Share (the “**Initial Conversion Price**”), subject to usual anti-dilution adjustments (details of which were set out in the paragraph headed “PRINCIPAL TERMS OF THE TALENT TREND CONVERTIBLE NOTES” in the Letter from the Board)

Interest: The Talent Trend Convertible Notes shall accrue no interest.

Extended Maturity Date: 10 December 2016

Conversion: a holder of the Talent Trend Convertible Notes shall have the right at any time and from time to time during the conversion period to convert the whole or part of the outstanding principal amount of the Talent Trend Convertible Note(s) in minimum amount of HK\$500,000 or whole multiple thereof into Conversion Shares, save that if the outstanding principal amount of a Talent Trend Convertible Notes less than HK\$500,000 the whole (but not part only) of the outstanding principal amount of such Talent Trend Convertible Note shall be converted; provided that no Talent Trend Convertible Notes may be converted, to the extent that following such exercise (a) the minimum public float requirement of the Company as required under the Listing Rules cannot be satisfied; or (b) a holder of the Talent Trend Convertible Notes and parties acting in concert with it, taken together, will be interested in 29.9% or more of the then issued share capital of the Company or such other percentage that will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code; or (c) if the holder of the Talent Trend Convertible Notes would otherwise be obliged to make a mandatory general offer under the Takeovers Code

Redemption on maturity: the Company shall redeem any Talent Trend Convertible Notes which remains outstanding at 4:00 p.m. (Hong Kong time) on the maturity date at its principal amount, being 10 December 2016

For further details of the principal terms of the Talent Trend Convertible Notes, please refer to the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In order to assess the fairness and reasonableness of the terms of the Talent Trend Convertible Notes, we have identified an exhaustive list of issue and subscription of convertible notes/bonds exercises as announced by companies listed on the Stock Exchange (the “**Comparables**”) during the last three months prior to and including 20 October 2015, being the date of the Deed of Amendment. To the best of our knowledge and as far as we are aware of, we identified an exhaustive list of 25 transactions which met the said criteria and have not lapsed as at the Latest Practicable Date. We consider that a review period of three months is appropriate to capture the recent market practice in respect of the issue and subscription of convertible notes/bonds under the current market condition and sentiment. Shareholders should, however, note that the businesses, operations and prospect of the Company are not the same as the Comparables and thus, the Comparables are only used to provide a general reference for the recent market practice of listed companies in Hong Kong in relation to the issue and subscription of convertible notes/bonds exercises. The following table sets forth the relevant details of the Comparables:

Table 2: Details of the Comparables

Date of announcement	Company name	Stock code	Duration (years)	Premium/(discount) of conversion price over/(to) the closing price of the last trading day prior to the date of the relevant agreement (“Premium/(Discount) — Last Day”) (%)	Interest rate (% per annum)
20/07/2015	Kiu Hung International Holdings Limited	381	3.0	2.74	0.00
24/07/2015	Sandmartin International Holdings Limited	482	1.0	(14.67)	5.00
28/07/2015	Imperial Pacific International Holdings Limited	1076	2.0	(5.46)	0.00
06/08/2015	China Household Holdings Limited	692	3.0	7.94	0.00
12/08/2015	Cheung Wo International Holdings Limited	9	2.0	(8.40)	8.00 (Note 1)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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Date of announcement	Company name	Stock code	Duration (years)	Premium/(discount) of conversion price over/(to) the closing price of the last trading day prior to the date of the relevant agreement ("Premium/(Discount) — Last Day") (%)	Interest rate (% per annum)
13/08/2015	Blue Sky Power Holdings Limited	6828	3.0	1.27	0.00
13/08/2015	GET Holdings Limited	8100	2.0	8.11	0.00
14/08/2015	Huiyin Smart Community Co., Ltd.	1280	1.0	3.48	4.00
18/08/2015	Madex International (Holdings) Limited	231	1.5	(16.41)	5.00
24/08/2015	Loudong General Nice Resources (China) Holdings Limited	988	3.0	(58.20)	6.00
25/08/2015	Differ Group Holding Company Limited	6878	3.0	36.01	0.00
28/08/2015	Code Agriculture (Holdings) Limited	8153	3.0	(79.42)	6.00
30/08/2015	Global Bio-chem Technology Group Company Limited	809	5.0	(33.33)	0.01
08/09/2015	Finet Group Limited	8317	2.0	(34.00)	3.00

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Company name	Stock code	Duration (years)	Premium/(discount) of conversion price over/(to) the closing price of the last trading day prior to the date of the relevant agreement ("Premium/(Discount) — Last Day") (%)	Interest rate (% per annum)
15/09/2015	Evershine Group Holdings Limited	8022	2.0	(9.21)	2.00
22/09/2015	Yuan Heng Gas Holdings Limited	332	2.0	(7.14)	6.00
25/09/2015	Chinese Energy Holdings Limited	8009	3.0	(16.18)	8.00
05/10/2015	Henry Group Holdings Limited	859	5.0	3.80	1.68
06/10/2015	Chinese Food and Beverage Group Limited	8272	2.0	3.23	0.00
08/10/2015	Link Holdings Limited	8237	5.0	(65.63)	0.01
12/10/2015	Sheen Tai Holdings Group Company Limited	1335	3.0	13.64	0.00
12/10/2015	China Titans Energy Technology Group Co., Limited	2188	2.0	(15.00)	4.75 (Note 2)
12/10/2015	Excel Development (Holdings) Limited	1372	2.0	(60.78)	0.00
13/10/2015	China Innovation Finance Group Limited	412	3.0	(2.86)	8.00

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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Date of announcement	Company name	Stock code	Duration (years)	Premium/(discount) of conversion price over/(to) the closing price of the last trading day prior to the date of the relevant agreement ("Premium/(Discount) — Last Day") (%)	Interest rate (% per annum)
14/10/2015	Baofeng Modern International Holdings Company Limited	1121	3.0	(9.68)	0.00
		Maximum:	5.0	36.01	8.00
		Minimum:	1.0	(79.42)	0.00
		Median:	3.0	(8.40)	1.68
		Average:	2.7	(14.23)	2.71
		Talent Trend Convertible Notes:	6.0 (Note 3)	89.66 (Note 4)	0.00

Source: the website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. According to the announcement of Cheung Wo International Holdings Limited (stock code: 9) dated 12 August 2015, the interest rate of the convertible notes is 3% plus the prime lending rate quoted by The Hongkong and Shanghai Banking Corporation Limited on the date of the subscription agreement (i.e. 12 August 2015) per annum. According to the official website of The Hongkong and Shanghai Banking Corporation Limited, the prime lending rate as of 12 August 2015 is 5% per annum. Therefore, the interest rate of the convertible notes is 8%.
2. According to the announcement of China Titans Energy Technology Group Co., Limited (stock code: 2188) dated 12 October 2015, any amount of the convertible notes which remain outstanding shall bear interest from the date of its issue at the base lending interest rate offered to institutions by the People's Bank of China per annum. According to the official website of the People's Bank of China, the current base lending interest rate for loan with a term of 1 to 5 years is 4.75% per annum. For our analysis, we assume that the interest rate of the convertible notes is 4.75%.
3. The duration of the Talent Trend Convertible Notes is calculated from the date of issue of the Talent Trend Convertible Notes (i.e. 10 December 2010) to the Extended Maturity Date (i.e. 10 December 2016).
4. This figure represents the ratio of the Initial Conversion Price of HK\$0.33 per Conversion Share to the closing price of HK\$0.174 per Share as quoted on the Stock Exchange on the Last Trading Day.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(i) Duration

According to Table 2 above, the duration of the Comparables ranged from 1 year to 5 years with an average duration of 2.7 years. The duration of the Talent Trend Convertible Notes of 6 years based on the Extended Maturity Date is longer than the longest duration among the Comparables. Therefore, we consider that the Proposed Extension is justifiable.

(ii) Initial Conversion Price

As illustrated in Table 2 above, the Premium/(Discount) — Last Day represented by the conversion prices of the Comparables ranged from a discount of approximately 79.42% to a premium of approximately 36.01%, with an average of a discount of approximately 14.23% and a median of a discount of approximately 8.40%. The Premium/(Discount) — Last Day represented by the Initial Conversion Price is higher than the highest of the Premium/(Discount) — Last Day represented by the conversion prices of the Comparables.

In addition, according to the 2015 Interim Report, the net assets of the Group as at 30 June 2015 was approximately RMB201.3 million. Based on 3,228,682,010 Shares in issue, the net asset value per Share as at 30 June 2015 amounted to approximately RMB0.062. The Initial Conversion Price of HK\$0.33 per Conversion Share represents a premium of approximately 4.3 times over the net asset value per Share as at 30 June 2015.

Based on the above, we are of the view that the Initial Conversion Price is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

(iii) Interest rate

As shown in Table 2 above, the interest rates of the Comparables ranged from nil to 8% per annum with an average interest rate of approximately 2.71% per annum. The zero coupon rate of the Talent Trend Convertible Notes is equivalent to the lowest limit of the interest rates among the Comparables. Therefore, we consider that the interest rate of the Talent Trend Convertible Notes is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Having considered that (i) the duration of the Talent Trend Convertible Notes of 6 years based on the Extended Maturity Date is longer than the longest duration among the Comparables; (ii) the Premium/(Discount) — Last Day represented by Initial Conversion Price is higher than the highest of the Premium/(Discount) — Last Day represented by the conversion prices of the Comparables; (iii) the Initial Conversion Price represents a premium of approximately 4.3 times over the net asset value per Share as at 30 June 2015; and (iv) the zero coupon rate of the Talent Trend Convertible Notes is equivalent to the lowest limit of the interest rates among the Comparables, we are of the view that the principal terms of the Talent Trend

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Convertible Notes (as amended by the Deed of Amendment and the Supplemental Deed of Amendment) is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

5. Financial effects of the Proposed Extension

(i) Effect on liquidity

As stated in the 2015 Interim Report, the Group had the unaudited cash and cash equivalents of approximately RMB143.6 million as at 30 June 2015 and the unaudited consolidated net current liabilities of the Group amounted to approximately RMB1,036.6 million as at 30 June 2015. The Proposed Extension pursuant to the Deed of Amendment and the Supplemental Deed of Amendment would allow the Group to delay a substantial cash outflow of approximately HK\$2,139.85 million as a result of redemption of the Talent Trend Convertible Notes held by Talent Trend. In view of the above, we consider that the Proposed Extension would release the liquidity and working capital pressure of the Group and alleviate the Going Concern Issue.

(ii) Effect on earnings

The zero coupon rate of the Talent Trend Convertible Notes remains unchanged under the Proposed Extension. According to applicable accounting standard, a non-cash imputed finance cost and fair value changes on derivative components of the Talent Trend Convertible Notes may be recorded in the consolidated statement of profit or loss and other comprehensive income during the extended period depending on the result of re-measurement of the fair value of the Talent Trend Convertible Notes as at 10 December 2015 as well as each subsequent reporting date by independent valuer. In such case, financial effect on earnings would be similar to that in previous 4 years.

(iii) Effect on net assets

There may be changes in the fair value of the Talent Trend Convertible Notes as a result of the Proposed Extension. The possible changes will be subject to the valuation from the independent valuer and the review of the Company's independent auditors in the Group's subsequent financial statements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION

Having taken into account the above principal factors and reasons, we consider that although the Proposed Extension is not in the ordinary and usual course of business of the Group, the terms of the Deed of Amendment and the Supplemental Deed of Amendment are on normal commercial terms and are fair and reasonable and the Proposed Extension is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise, and we ourselves recommend, the Independent Shareholders to vote in favor of the resolutions at the SGM to approve the Deed of Amendment and the Supplemental Deed of Amendment and the transactions contemplated thereunder (including the Proposed Extension).

Yours faithfully,

For and on behalf of

Astrum Capital Management Limited

Hidulf Kwan

Rebecca Mak

Managing Director

Associate Director

Note: Mr. Hidulf Kwan has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under SFO since 2006 and has participated in and completed various independent financial advisory transactions.

Ms. Rebecca Mak has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under SFO since 2012 and has participated in and completed various independent financial advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests in the Company

At the Latest Practicable Date, none of the Directors nor the chief executive of the Company had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

(b) Substantial shareholders

Other than the interests disclosed under the heading "Directors' interests in the Company" above, as at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Name of substantial shareholder	Number of ordinary shares held	Number of underlying shares interest	Approximate percentage of the Company's issued share capital
Winspark Venture Limited ¹	829,509,340	—	22.16%
Talent Trend Holdings Limited ²	—	6,484,393,939	173.2%
Top Rich Limited ³	515,151,515	—	13.76%

Note:

- The entire issued share capital of Winspark Venture Limited is directly, beneficially and wholly owned by Mr. Chan Yuen Ming.

2. The entire issued share capital of Talent Trend is directly, beneficially and wholly owned by Mr. Zhang Gao Bin. He personally holds 104,465,000 shares of the Company, representing approximately 2.79% issued share capital of the Company.
3. The entire issued share capital of Top Rich Limited is held by Ace Class Global Limited, which is directly, beneficially and wholly owned by Mr. Lee Hon Nam.

Save as disclosed above, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO disclosed no other person as having notifiable interests or short positions in the issued share capital of the Company as at the Latest Practicable Date.

(c) Directors' interests in assets and contracts of the Group

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2014 (the date to which the latest published audited consolidated financial statements of the Company were made up), (i) acquired or disposed of by; (ii) leased to; or (iii) are proposed to be acquired or disposed of by; or (iv) are proposed to be leased to any member of the Group.

(d) Directors' service contracts

As at the Latest Practicable Date, each of independent non-executive Directors, had entered into a service contract with the Company for a term of two years and each of these contracts is subject to termination by either party giving not less than one month's written notice.

Save as disclosed above, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

(e) Directors' competing interests

As at the Latest Practicable Date, none of the Directors or any of their respective close associates (as defined in the Listing Rules) had any business which was considered to compete or was likely to compete with the businesses of the Group.

3. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion or advice which are contained in this circular:

Name	Qualification
Astrum Capital Management Limited	a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Astrum Capital Management Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its opinion prepared for the purpose of incorporation in this circular, and the references to its name and opinion in the form and context in which they respectively appear.

Astrum Capital Management Limited has confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any direct or indirect interests in any assets which have since 31 December 2014 (being the date to which the latest published audited accounts of the Group were made up) been acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any members of the Group.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated accounts of the Company have been made up.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (i.e. from 9:30 a.m. to 5:00 p.m. on Monday to Friday except public holidays) on any Business Day at the principal place of business in Hong Kong of the Company at Unit A704, 3rd Floor, Tower A, New Mandarin Plaza, No. 14 Science Museum Road, Tsim Sha Tsui East, Hong Kong, from the date of this circular up to and including the date of the SGM:

- (a) the service contract of each Director referred to under the paragraph headed “Disclosure of Interests — Directors’ service contracts” in this appendix;
- (b) the Deed of Amendment;
- (c) the Supplemental Deed of Amendment;

- (d) the letter addressed to the Independent Shareholders from the Independent Board Committee, the text of which is set out on pages 17 and 18 of this circular;
- (e) the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the text of which is set out on pages 19 to 36 of this circular;
- (f) the letter of consent from the Independent Financial Adviser referred to in the section headed “Expert and Consent” of this appendix; and
- (g) this circular.

6. GENERAL

The English text of this circular and the accompanying form of proxy shall prevail over its Chinese text.

NOTICE OF SGM



TALENT PROPERTY GROUP LIMITED

新天地产集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00760)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Talent Property Group Limited (the “**Company**”) will be held at Room 6, United Conference Centre, 10/F., United Centre, 95 Queensway, Hong Kong on Tuesday, 1 December 2015 at 4:00 p.m. or any adjournment thereof for the purpose of considering, and if thought fit, passing with or without modification the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) subject to the approval of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the proposed extension (the “**Proposed Extension**”) of the conversion period and the maturity date of the zero coupon convertible notes in the aggregate principal amount of HK\$2,139.85 million issued by the Company and held by Talent Trend Holdings Limited (“**Talent Trend**”) in satisfaction of part of the consideration of the acquisition of the entire issued share capital of Talent Central Limited by Canton Million Investments Limited, a wholly-owned subsidiary of the Company (the “**Convertible Notes**”) from 10 December 2015 to 10 December 2016 (the “**Extended Maturity Date**”) on the terms and conditions pursuant to (i) a deed of amendment dated 20 October 2015 entered into between the Company and Talent Trend (a copy of which are produced to the Meeting marked “A” and initialled by the Chairman of the Meeting for the purpose of identification), and (ii) a supplemental deed of amendment dated 4 November 2015 entered into between the Company and Talent Trend (a copy of which are produced to the Meeting marked “B” and initialled by the Chairman of the Meeting for the purpose of identification), and the performance by the Company of its obligations thereunder be and are hereby approved, confirmed and ratified;
- (b) subject to the approval of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares (as defined below), the issue and allotment of 6,484,393,939 new shares (“**Shares**”) with a nominal value of HK\$0.004 each in the share capital of the Company (“**Conversion Shares**”) upon exercise of the conversion rights attaching to the Convertible Notes be and is hereby approved and any one or more of the directors (“**Directors**”) of the Company be and is/are hereby authorised to allot and issue the Conversion Shares pursuant to and in accordance with the terms and conditions of the Convertible Notes dated 10 December 2010; and

* For identification purposes only

NOTICE OF SGM

- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to implement and/or give effect to the Proposed Extension, including but not limited to the allotment and issue of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Notes and any other matters contemplated thereunder.”

By Order of the Board
Talent Property Group Limited
You Xiaofei
Chairman

Hong Kong, 16 November 2015

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:
Unit A704, 3rd Floor, Tower A
New Mandarin Plaza
No. 14 Science Museum Road
Tsim Sha Tsui East
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
- (3) To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting or any adjournment thereof and in such event, the form of proxy will be deemed to be revoked.
- (4) Shareholders are advised to read the circular to the shareholders of the Company dated 16 November 2015 which contains information concerning the resolutions to be proposed in this notice.
- (5) According to Rule 13.39(4) of the Listing Rules, any vote of shareholders of the Company at a general meeting of the Company must be taken by poll. Accordingly, the Chairman of the Meeting will exercise his power under the articles of association of the Company to demand a poll in relation to the proposed ordinary resolution at the Meeting.

NOTICE OF SGM

As at the date of this notice, the Board comprises Mr. You Xiaofei and Mr. Luo Zhanguan as executive directors and Mr. Lo Wai Hung, Ms. Pang Yuen Shan, Christina and Mr. Chan Chi Mong, Hopkins as independent non-executive directors.