

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Talent Property Group Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



TALENT PROPERTY GROUP LIMITED

新 天 地 產 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00760)

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
PROPOSED DISPOSAL OF 63.2% OF THE EQUITY INTEREST IN
HAINAN HONGLUN PROPERTIES LIMITED
AND
NOTICE OF SGM**

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

 **BRIDGE PARTNERS**

BRIDGE PARTNERS CAPITAL LIMITED

A letter from the Board is set out on pages 4 to 10 of this circular and a letter from the Independent Board Committee is set out on pages 11 to 12 of this circular. A letter from Bridge Partners, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 22 of this circular.

A notice convening the SGM to be held at Unit 1217, North Tower Concordia Plaza, No. 1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 12 April 2013 at 9:30 a.m. is set out on pages 38 to 39 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

* *For identification purposes only*

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM INDEPENDENT BOARD COMMITTEE	11
LETTER FROM BRIDGE PARTNERS	13
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	23
APPENDIX II — VALUATION REPORT	26
APPENDIX III — GENERAL INFORMATION	33
NOTICE OF SGM	38

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associates”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Company” or “Vendor”	Talent Property Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	Completion of the Sale and Purchase Agreement
“connected person”	has the meaning given to it under the Listing Rules
“Convertible Notes”	as at the Latest Practicable Date, the zero coupon convertible notes in the outstanding aggregate principal amount of HK\$2,776.27 million due on 10 December 2015 issued by the Company entitling the holder thereof to convert into new Shares at an initial conversion price of HK\$0.33 per new Share, subject to adjustment
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee established by the Company to advise the Independent Shareholders in relation to the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement
“Independent Financial Adviser” or “Bridge Partners”	Bridge Partners Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement
“Independent Shareholders”	the Shareholders other than the Purchaser, Mr. Zhang and their respective associates who are connected, involved in or interested in the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement

DEFINITIONS

“Independent Third Party”	a third party which, together with its beneficial owner(s) (if any) and to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is a third party independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Independent Valuer”	B.I. Appraisals Limited, a registered professional valuer and an Independent Third Party
“Latest Practicable Date”	19 March 2013, being the latest practicable date for ascertaining certain information referred to in this circular prior to printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhang”	Mr. Zhang Gao Bin
“Previous Acquisition”	the conditional sale and purchase agreement dated 6 July 2010 in relation to the acquisition of a group of project companies from the Purchaser, including the Sale Share, which has been approved by the then Shareholders at the special general meeting held on 19 November 2010 and was completed on 10 December 2010
“PRC”	The People’s Republic of China (for the purpose of this circular, excluding Hong Kong and Macau Special Administrative Region)
“Project”	the sole property project held by the Target, namely 譽海灣 (Yuhaiwan) in the PRC
“Proposed Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Purchaser” or “Talent Trend”	Talent Trend Holdings Limited, a company incorporated in British Virgin Islands and is 100% beneficially owned by Mr. Zhang
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement, dated 25 January 2013, entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Share
“Sale Share”	63.2% of the equity interest of the Target

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be held on Friday, 12 April 2013 to approve, amongst other things, the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement
“Shareholders”	holders of the ordinary shares of HK\$0.004 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target” or “Honglun”	海南宏倫置業有限公司 (Hainan Honglun Properties Limited), an indirect subsidiary owned as to 63.2% by Xintian Property and 36.8% by 海南陸僑集團有限公司 (Hainan Luqiao Group Limited*), an Independent Third Party
“Valuation Report”	the valuation report prepared by Independent Valuer on the Project as at 31 December 2012
“Xintian Property”	新天地產集團有限公司 (Xintian Property Group Co., Ltd.) formerly known as 海南凱亞實業有限公司 (Hainan Kaiya Industries Limited), an indirect wholly owned by the Company

For the purpose of this circular, translations of RMB into HK\$ are made for illustration purposes only at the exchange rate of RMB1 to HK\$1.2367.

* *For identification purposes only*



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. Ng Pui Keung

Mr. You Xiaofei

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 HM 11

Bermuda

*Head office and principal place of
business in Hong Kong:*

Unit 1217

North Tower Concordia Plaza

No. 1 Science Museum Road

Tsim Sha Tsui East

Kowloon

Hong Kong

21 March 2013

To the Shareholders

Dear Sir and Madam,

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
PROPOSED DISPOSAL OF 63.2% OF THE EQUITY INTEREST IN
HAINAN HONGLUN PROPERTIES LIMITED**

INTRODUCTION

Reference is made to the announcement dated 25 January 2013 issued by the Company in relation to the Proposed Disposal.

The purpose of this circular is to provide you with, among other things, the details of the Proposed Disposal, to set our recommendation of the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Proposed Disposal and to give the Shareholders the notice of SGM and other information required by the Listing Rules.

* *For identification purposes only*

LETTER FROM THE BOARD

PROPOSED DISPOSAL

On 25 January 2013, the Company entered into the Sale and Purchase Agreement with the Purchaser and pursuant to which the Purchaser has conditionally agreed to acquire or procure its designate entity(ies) to acquire and the Company has conditionally agreed to procure Xintian Property, an indirect wholly-owned subsidiary of the Company, to sell the Sale Shares, being 63.2% of the equity interest of the Target.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised below.

Date: 25 January 2013 (after trading hours)

Parties: (i) the Company as the Vendor; and
(ii) Talent Trend Holdings Limited as the Purchaser.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. The entire issued share capital of the Purchaser is beneficially owned by Mr. Zhang, who is also a director of the Target. As at the Latest Practicable Date, the Purchaser is interested in approximately 0.3% issued share capital of the Company and holds Convertible Notes of face value HK\$2,374.85 million.

Assets to be disposed

The Sale Share represents 63.2% of the equity interest of the Target, being the entire interest held by the Company. The remaining 36.8% of the Target is held by 海南陸僑集團有限公司 (Hainan Luqiao Group Limited*), an Independent Third Party.

Consideration

The consideration was arrived at after negotiations on an arm's length commercial basis between the parties to the Sale and Purchase Agreement with reference to, among others, the Valuation Report which is set out in Appendix II to this circular, the unaudited management account of the Target and the fair value of the Convertible Notes as at 31 December 2012, and the prospects of the current real estate market in Hainan Province, the PRC. The consideration of the Proposed Disposal will be satisfied by the Purchaser by way of setting off against the Convertible Notes held by the Purchaser with face value of HK\$337 million and fair value of approximately HK\$259.9 million as at 31 December 2012. The implied consideration of the Proposed Disposal is therefore amounted to approximately HK\$259.9 million. The amount HK\$337 million was the value attributable by the Target at the completion of the Previous Acquisition. The Project did not contribute profit to the Company after the Previous Acquisition therefore it is agreed by the Company and the Purchaser that Convertible Notes with face value of HK\$337 million will be cancelled as the consideration of the Proposed Disposal.

LETTER FROM THE BOARD

To comply with accounting standards, the face value of HK\$337 million Convertible Notes had to record at its fair value which was discounted by effective interest rate as at the completion date of the Previous Acquisition. Subsequently, the Company recorded the Convertible Notes at amortised cost. For this reason, the carrying amount of the Convertible Notes recorded in the financial statements of the Company was lower than the face value of the Convertible Notes until its maturity date. The fair value of the Convertible Notes was valued by an independent valuer at the completion date of the Previous Acquisition.

Conditions precedent

Completion of the Proposed Disposal is conditional upon the satisfaction of the following:

- (a) the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder by Independent Shareholders at the SGM pursuant to the Listing Rules;
- (b) all necessary licenses, permits, consents, approvals, authorisations, reliefs, orders and waivers required to be obtained by the Vendor, Purchaser, Xintian Property and the Target respectively in relation to the signing of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained; and
- (c) all necessary licenses, permits, consents, approvals, authorisations, reliefs, orders and waivers of relevant regulatory authorities in Hong Kong, the PRC, Bermuda and British Virgin Islands or other relevant government agencies or jurisdictions in relation to the Sale and Purchase Agreement having been obtained; and (if required) all relevant requirements under the laws, rules and regulations in the PRC or other relevant jurisdictions or any other third parties in relation to the Sale and Purchase Agreement having been complied with.

Both the Vendor and the Purchaser shall fulfil or procure to fulfil the conditions precedent set out in the Sale and Purchase Agreement on or before 30 June 2013, or such other date as may be agreed by the Vendor and the Purchaser from time to time.

Pledge

Pursuant to the Sale and Purchase Agreement, the Purchaser shall pledge no less than HK\$337 million face value of Convertible Notes at the Vendor until the date of Completion and such amount of Convertible Notes shall be beneficially and legally owned by the Purchaser and free from any obligations and liabilities.

Completion

Completion shall take place on the seventh business day when the conditions precedent set out in the Sale and Purchase Agreement have been either fulfilled, waived by the Purchaser or such other date as may be agreed by the Vendor and the Purchaser. The Convertible Notes with face value of HK\$337 million pledged with the Vendor shall be cancelled pursuant to its terms by the Company upon Completion. The face value of the Convertible Notes held by the Purchaser will be reduced to HK\$2,037.85 million assuming no conversion prior to Completion.

LETTER FROM THE BOARD

INFORMATION ON THE TARGET AND THE PROJECT

The Target is incorporated in the PRC with a registered paid capital of RMB30 million. The Company acquired a group of companies including the Target from the Purchaser on 10 December 2010 and the audited net asset value of the Target attributable to the Group was approximately HK\$337 million. It is principally engaged in real estate development and management.

The Target is a project company and property developer and its sole project is a residential project named as 譽海灣 (Yuhaiwan) located at Haisheng Road, Xiuying District, Haikou City, Hainan Province, the PRC, being the Project, with a site area of 48,324 square meters and a salable gross floor area of 111,852 square meters for residential, commercial and public usage and basement car park. As at the Latest Practicable Date, the construction of the project has been completed and some of the units were sold or pre-sold.

Set out below is the status and an analysis of the saleable area of Yuhaiwan as at 31 December 2012:

	Area	
	<i>Square meters</i>	
Residential delivered	37,319	42.6%
Pre-sale residential but not delivered yet	14,257	16.2%
Residential for sale	36,110	41.2%
Total area of residential	87,686	100.0%
Commercial for sale	1,488	N/A
Basement car park for sale (669 lots)	22,678	N/A

Set out below is the financial information of the Target for the years ended 31 December 2011 and 2012 the audited figures for the year 2012 are expected to be released by the end of March, 2013:

	Year ended 31 December	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
	Unaudited	Audited
Revenue	364,187	Nil
Net (loss)/profit before taxation	(130,543)	(245,127)
Net (loss)/profit after taxation	(103,874)	(187,032)
Net assets	163,968*	267,842

* after taken into account the valuation of properties held by the Target and provision of impairment loss made up to 31 December 2012

LETTER FROM THE BOARD

In accordance with the circular dated 29 October 2010 issued by the Company, the valuation of Project which included the actual development cost incurred and valuation surplus, was RMB472 million as at 31 July 2010. Further acquisition surplus of RMB76.7 million was recorded up to the completion of the Previous Acquisition. The total development and investment cost incurred by the Target since 31 July 2010 up to 31 December 2012 amounted to approximately RMB659.6 million, which was mainly financed by bank borrowing and proceeds from pre-sale. The Company is not required to fund the development cost of the Target after it was acquired from the Purchaser. An aggregated impairment loss of RMB309.1 million was recorded by the Company on the Project for the year ended 31 December 2011 and six months ended 30 June 2012.

The Project commenced pre-sale in early 2011. Pre-sale contract of 32,208 and 19,368 square meters with average selling price of RMB10,073 and RMB9,226 per square meter, respectively, had been recorded for the year ended 31 December 2011 and 2012 of the Company. The contract sales of residential units in January 2013 recorded an average price of RMB9,567 per square meter. The Independent Valuer determines the valuation of the unsold properties in the Project with reference to, among others, the recent market price of such properties, the downward trend of the property market in Hainan Province, the PRC, the balance of interest for the willing seller and willing buyer for an one-off purchase of all unsold units with 36,110 square meter. Furthermore, according to the Valuation Report, the market value of the residential unit was RMB9,300 per square meter and the market value of the whole unsold properties of the Project was about RMB556 million. Whereas, the unaudited carrying amount of the unsold properties of the Target was about of RMB557.1 million as at 31 December 2012. Further impairment loss will be incurred on the Target as the accounting standard requires the direct selling expenses be considered on top of its fair value. The unaudited net asset value of the Target amounted to RMB164.0 million after taken into account of such revaluation and impairment loss. The implied consideration of the Proposed Disposal was in fact significantly higher than the unaudited net asset value of the Sale Share, after taken into account the market value of the Project as at 31 December 2012.

FINANCIAL IMPACT OF THE DISPOSAL ON THE GROUP

Upon Completion, the Company will no longer have any interest in the Target and it will cease to be a subsidiary of the Company and the results of the Target will cease to be consolidated into the accounts of the Group. The Company is expect to record a gain of approximately HK\$131.8 million, which is calculated by the Convertible Notes that will be cancelled with fair value of HK\$259.9 million minus the net asset value of the Target attributable to the Group of approximately RMB103.6 million (equivalent to approximately HK\$128.1 million) as at 31 December 2012. The final financial impact of the Proposed Disposal will be subject to the net asset value of the Target and the valuation of the Convertible Notes as at the date of Completion.

REASONS FOR THE DISPOSAL

The Company is principally engaged in design, development, manufacture and sale of electronic products, property development and investment in the PRC. It also trade listed equity investments and commodities, provides loan financing and engaged in hotel operation.

LETTER FROM THE BOARD

The property market in Hainan Province is less robust after the property-tightening policies implemented by the PRC Government. As such, property developers in Hainan Province, the PRC carried out “price-for-volume” strategy and the digestion of the huge supply of its local residential properties is expected to take a long time.

Given the valuation of the Project as well as the property market of Hainan Province, the PRC, in general has been on a downward trend compared to the time when the Target was first acquired from the Purchaser, the Target has incurred losses for the two years ended 31 December 2012. In view of such unfavourable market environment, the Company managed to minimise its exposure in Hainan Province, the PRC. As disclosed in the announcement dated 20 December 2012, the Company had already sold another project in Hainan Province, the PRC to an independent third party in order to offload its exposure there. After arm’s length negotiation between the Company and the Purchaser, it is agreed by the parties that Convertible Notes with face value of HK\$337 million held by the Purchaser will be cancelled as a consideration for the Proposed Disposal. The face value of HK\$337 million was the original net assets value of the Target attributable to the Company as at the completion of the Previous Acquisition. The Proposed Disposal at an implied consideration of HK\$259.9 million is substantial higher than the net asset value attributable by the Sale Shares and would enable the Group to have an estimated book gain of approximately HK\$131.8 million.

As at the Latest Practicable Date, Convertible Notes with principal amount of HK\$2,776.27 million remain outstanding. Although the Convertible Notes are yet to mature, given the value of the Sale Shares represented a substantial discount to both the face value and fair value of the Convertible Notes subject to cancellation, the Board considers it is a good opportunity for the Company to strengthen its financial position and improve its gearing by releasing a substantial repayment obligation of the Group prior to the maturity of the Convertible Notes and at the same time offloading a project that has been loss making.

Apart from selling to the Purchaser, the Board has considered other alternative, including sell to the public market. Considering that even if all the unsold units were sold to individual buyers at current market price, the net cash inflow that will otherwise contribute by the Target to the Group will not be greater than the value of Convertible Notes that is subject to cancel by the Purchaser. The Proposed Disposal allows the Company to offload all the unsold units to the Purchaser that will save further marketing and operating cost. Such consideration was also reference to the original attributable value of Target when it was acquired by the Company from the Purchaser where the Company is unlikely to generate comparable benefit if the unsold units were to sell to public.

Therefore, the Board is of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the entering into of the Sale and Purchase Agreement is in the interest of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under the Listing Rules in respect of the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement are more than 25% but less than 75%, the Proposed Disposal constitutes a

LETTER FROM THE BOARD

major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

The beneficial owner of the Purchaser, Mr. Zhang is a director of the Target, and therefore is a connected person of the Company under the Listing Rules. The Purchaser is also interested in approximately 0.3% issued share capital of the Company and holds Convertible Notes of face value HK\$2,374.85 million as at the Latest Practicable Date. The SGM will be held and convened for the Shareholders to consider and, if thought fit, approve the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement. The Purchaser and its associates are required to abstain from voting at the SGM. Save for the above, none of the Directors has any material interest in the Proposed Disposal.

THE SGM

A notice convening the SGM to be held on Friday, 12 April 2013 is set out on pages 38 to 39 of this circular.

RECOMMENDATION

The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Disposal. The text of the letter of advice from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 22 of this circular.

The 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 established to provide recommendation to the Independent Shareholders in respect of the Proposed Disposal.

The Board (including the independent non-executive Directors who have taken into account the advice of the Independent Financial Adviser) considers that the Proposed Disposal and the Sale and Purchase Agreement are on normal commercial terms and in the ordinary and usual course of business of the Company, and the Proposed Disposal is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed in the SGM to approve the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement.

ADDITIONAL INFORMATION

Your attention is also drawn to the information contained in Appendix I to Appendix III to this circular.

Yours faithfully,
for and on behalf of the Board
Ng Pui Keung
Chairman



TALENT PROPERTY GROUP LIMITED

新天地產集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00760)

21 March 2013

To: the Independent Shareholders

Dear Sir/Madam,

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
PROPOSED DISPOSAL OF 63.2% OF THE EQUITY INTEREST IN
HAINAN HONGLUN PROPERTIES LIMITED**

We refer to this circular dated 21 March 2013 issued by the Company to its shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in this circular shall have the same meanings when used in this letter.

As the Independent Board Committee, we have been appointed to advise the Independent Shareholders as to whether, in our opinion, the entering into the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned. None of the members of the Independent Board Committee have any direct or indirect interest in the Sale and Purchase Agreement. In addition, the Independent Financial Adviser has been appointed as independent financial adviser to advise the Independent Board Committee in respect of the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement.

We wish to draw your attention to (i) the letters of advice from the Independent Financial Adviser as set out on pages 13 to 22 of this circular; and (ii) the letter from the Board as set out on pages 4 to 10 of this circular, which set out information relating to, and the reasons for and benefits of the Proposed Disposal.

Having considered the terms of the Sale and Purchase Agreement and the advice of the Independent Financial Adviser, we are of the opinion that the Proposed Disposal and the Sale and Purchase Agreement are on normal commercial terms and in the ordinary and usual course of business of the Company, and the Proposal Disposal is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the

* *For identification purposes only*

LETTER FROM INDEPENDENT BOARD COMMITTEE

Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement to be proposed at the SGM.

Yours faithfully,

Independent Board Committee

Lo Wai Hung Pang Yuen Shan Christina Chan Chi Mong Hopkins

Independent Non-Executive Directors

LETTER FROM BRIDGE PARTNERS

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Bridge Partners regarding the Proposed Disposal (including the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder) prepared for the purpose of inclusion in this circular.



BRIDGE PARTNERS CAPITAL LIMITED

Unit 605, 6/F, Grand Millennium Plaza
181 Queen's Road Central
Central, Hong Kong

21 March 2013

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

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROPOSED DISPOSAL OF 63.2% OF THE EQUITY INTEREST IN HAINAN HONGLUN PROPERTIES LIMITED

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Disposal (including the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 21 March 2013 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As one or more of the applicable percentage ratios calculated under the Listing Rules in respect of the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement are more than 25% but less than 75%, the Proposed Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders’ approval requirements under the Listing Rules.

Mr. Zhang is the sole beneficial owner of the Purchaser and also a director of the Target, and therefore is a connected person of the Company under the Listing Rules. The Purchaser is also interested in approximately 0.3% issued share capital of the Company and holds Convertible Notes of face value of HK\$2,374.85 million as at the Latest Practicable Date. The

LETTER FROM BRIDGE PARTNERS

SGM will be held and convened for the Shareholders to consider and, if thought fit, approve the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement. The Purchaser and its associates are required to abstain from voting to approve the Proposed Disposal at the SGM.

An Independent Board Committee comprising Mr. Lo Wai Hung, Ms. Pang Yuen Shan, Christina and Mr. Chan Chi Mong, Hopkins (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the Proposed Disposal is on normal commercial terms and in the ordinary and usual course of business of the Company and fair and reasonable so far as the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the relevant ordinary resolution to approve the Proposed Disposal (including the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder) at the SGM. Our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in these regards.

BASIS OF OUR OPINION

In arriving at our opinion and recommendation, we have relied on the information supplied, the opinion and representations expressed by the Directors and the management of the Company. We have reviewed, among others: (i) the annual report of the Company for the year ended 31 December 2011 (the “**2011 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2012 (the “**2012 Interim Report**”); (ii) the Circular; (iii) the Sale and Purchase Agreement; (iv) the audited accounts of the Target as at 10 December 2010 (being the completion date of the acquisition of Talent Central Limited), the audited accounts of the Target as at 31 December 2011 and the unaudited management accounts of the Target as at 31 December 2012; (v) the information relating to the 譽海灣 project (“**the Project**”) including but not limited to the valuation report of the unsold portion of the Project as at 31 December 2012 (the “**Valuation Report**”); and (vi) the unsold value of the Project as at 31 December 2012. We have also sought and received confirmation from the Directors and management of the Group that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have performed all necessary steps as required under Rule 13.80 of the Listing Rules, including the notes thereto, to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions and have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have assumed that all representations contained or referred to in the Circular are true as at the date of the Circular or the Latest Practicable Date (as the case may be) and will remain so up to the time of the SGM.

We have not, however, conducted any form of in-depth investigation into the business affairs, financial position or future prospects of the Group or carried out any independent verification of the information supplied, representations made or opinions expressed by the Company, the Directors and the management of the Group, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Disposal.

LETTER FROM BRIDGE PARTNERS

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Proposed Disposal (including the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder), and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposed Disposal (including the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder), we have taken into consideration the following principal factors and reasons:

(1) Information on the Group

The principal activity of the Company is investment holding. On 10 December 2010, the Company completed the acquisition of Talent Central Limited which, through its subsidiaries, holds interests in various real estate projects in the PRC (the “**Previous Acquisition**”). Since then, the Group has been engaged in the business of (i) real estate development, (ii) property investment, (iii) property management, (iv) hotel operation, (v) design, development, manufacture and sale of electronic products, (vi) trading of listed equity investments and commodities and (vii) provision of loan financing.

According to the 2012 Interim Report, the Group’s gearing ratio (computed as total debts over total assets) was approximately 84.4% as at 30 June 2012 (31 December 2011: 81.8%). The gearing ratio increased slightly as a result of a decrease in investment properties value which amounted to HK\$513.6 million while debts of the Group remained relatively stable. On the other hand, due to the increased operating expenses, the impairment loss on properties under development, the fair value deficits of investment properties and the increased finance cost, the loss attributable to owners of the Company was increased from HK\$232.4 million for the six months ended 30 June 2011 to HK\$304.4 million for the six months ended 30 June 2012.

(2) Information on the Target and Yuhaiwan

(a) *The Target*

According to the Board Letter, the Target is incorporated in the PRC with a registered paid-up capital of RMB30 million. The Company acquired a group of companies including the Target from the Purchaser on 10 December 2010 and the audited net asset value of the Target attributable to the Group was approximately HK\$337 million. The Target is a project company and property developer which is principally engaged in real estate development and management, and its sole project is 譽海灣 (Yuhaiwan), which is located in Hainan Province, the PRC. The unaudited net asset value of the Target as at 31 December 2012 amounted to RMB164.0 million after taken into account of revaluation and impairment loss.

LETTER FROM BRIDGE PARTNERS

(b) Yuhaiwan

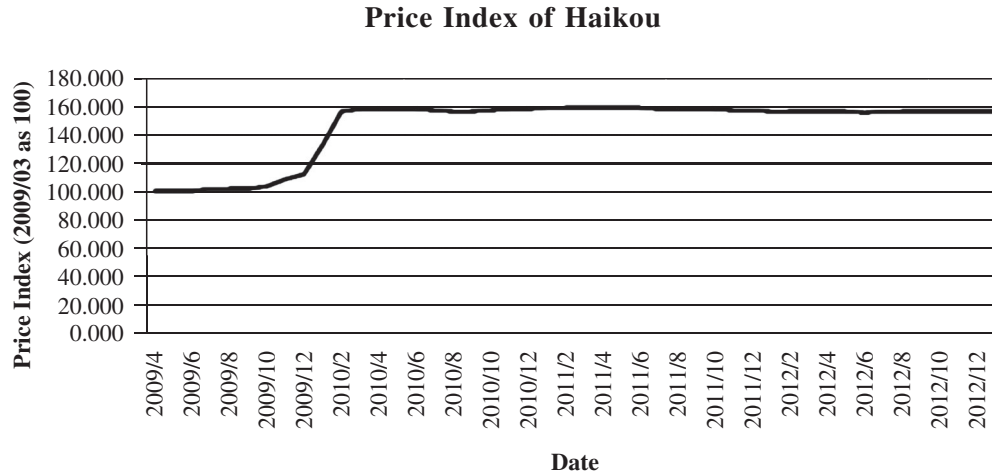
Yuhaiwan is a high-end residential development in the Xiuying District of Haikou City, Hainan Province. It is located at the intersection of 海盛路 (Hai Sheng Road) and 永萬路 (Yong Wan Road). Yuhaiwan has a total site area of approximately 48,324.15 square meters and a saleable gross floor area of 111,852 square meters for residential, commercial and public usage and basement car park. The completed development will have a total of 788 residential units, 2 commercial units and 669 lots of car parks. According to the Directors, Yuhaiwan has commenced pre-sale activities since early 2011. Pre-sale contracts of 32,208 square meters (representing 281 residential units) and 19,368 square meters (representing 190 residential units) with average selling prices of RMB10,073 and RMB9,226 per square meter had been recorded for the years ended 31 December 2011 and 2012 respectively. Out of the contracts pre-sold, 37,319 square meters (representing 343 residential units) had been delivered while 14,257 square meters (representing 128 residential units) were not yet delivered as at 31 December 2012. Yuhaiwan also held 1,488 square meters of commercial area as well as 669 lots of basement car parks for sale as at 31 December 2012, of which no sale has been made.

According to the 2011 Annual Report, as a result of the persisted nationwide austerity measures in 2011, there was an impairment loss of RMB232.4 million on the properties under development in Haikou City, Hainan Province. Moreover, according to the 2012 Interim Report, the pace of the pre-sales was slower than expected and after considering the sluggish market at the time, there was another impairment loss of RMB76.7 million on the properties under development of the Group. According to the unaudited management account of the Target as at 31 December 2012, the carrying amount of the unsold properties was approximately RMB557.1 million. On the other hand, the market value of the unsold properties of the Project was approximately RMB556 million as at 31 December 2012 according to the Valuation Report.

LETTER FROM BRIDGE PARTNERS

(3) Residential property industry in the Hainan province

We have reviewed the “Price Indices of Newly Constructed Residential Buildings by Floor Space in 70 Large and Medium-Sized Cities” (七十個大中城市新建商品住宅分類價格指數) for Haikou in 2009, 2010, 2011 and 2012 provided by the National Bureau of Statistics of the PRC (the “**Price Indices**”). Set out below is the price index of Haikou from April 2009 to December 2012.



Source: National Bureau of Statistics of the PRC

Due to the PRC government’s plan to promote Hainan province as an international tourism destination, huge investment capital was driven into the Hainan property sector which led to a significant price hike in Hainan properties in 2010 as evident in the above Price Indices. However, following the persisted nationwide austerity measures in 2011, the market returned to normal and the Price Indices remained relatively stable thereafter.

We also noted from an article published by Haikou’s Residential Real Estate Information Website (海口市住宅及房地產信息網)(<http://www.hkrealestate.gov.cn/>), a website organized by Haikou Municipal Bureau of Housing and Urban and Rural Construction Bureau (海口市住房和城鄉建設局), that the prices of newly constructed residential buildings in Haikou have not had any significant increase since March 2011. The real estate market of Haikou remains sluggish presently. Facing high liquidity pressure, some property developers have begun to sell their unsold properties at discount in order to ease their tight cash problems.

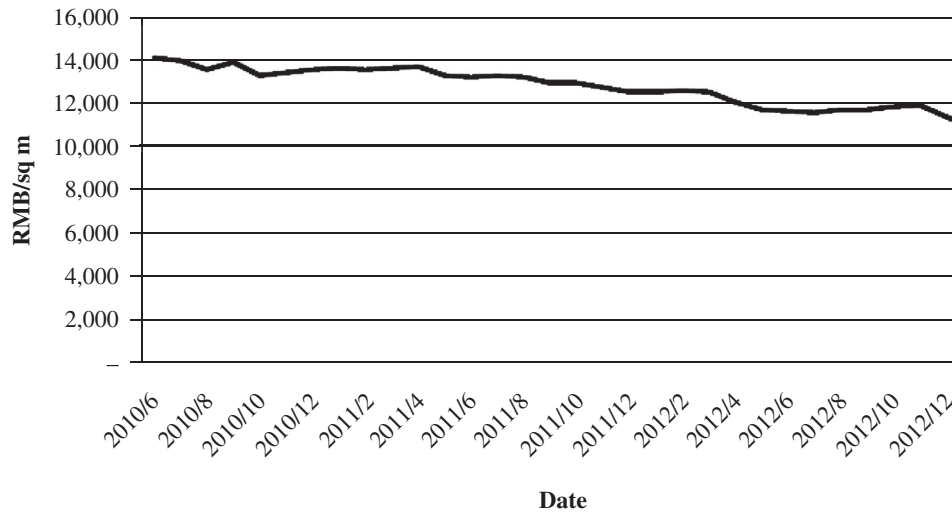
According to the official data released during the press conference of Hainan Province’s 2012 first quarter economic results (海南第一季度經濟運行情況新聞發佈會) of the Hainan Provincial Bureau of Statistics (海南省統計局), Hainan province has a total of approximately 64.1 million square meters of properties in stock, whereas Hainan province’s property sales was merely 8.88 million square meters and 9.32 million square meters for the year of 2011 and 2012 respectively.

On the other hand, we have reviewed the residential property average selling prices in Haikou from June 2010 to January 2013 provided by the China Real Estate Index System (“**CREIS**”) (中國房地產指數系統), which is a system developed by the China

LETTER FROM BRIDGE PARTNERS

Index Academy (中國指數研究院), one of the largest real estate professional research organizations in the PRC. CREIS has maintained one of the largest and most comprehensive databases which is widely used for analysing property markets in primary PRC cities.

Average selling prices of residential properties in Haikou



Source: CREIS

As seen from the above, the average selling price for residential properties in the Haikou province have decreased from RMB14,125 per square meter in June 2010 to RMB10,930 per square meter in January 2013.

In view of the above analysis on Haikou's real estate market, in particular, the average selling prices of residential properties in Haikou have not materially fluctuated, the unsold portion of the Project is unlikely to generate sales at prices significantly higher than the average price of the pre-sold units, we concur with the Directors' view that the Proposed Disposal is in the interests of the Company and the Independent Shareholders as a whole.

(4) Background and reasons for the Proposed Disposal

The Company acquired a group of companies including equity interest of the Target from Mr. Zhang on 10 December 2010 in order to diversify its business into real estate development and property investment in the PRC. The consideration at the time was HK\$3,800 million, which was settled as to HK\$540 million by cash, HK\$3,100 million by issue of convertible notes and HK\$160 million by issue of promissory notes. As at the Latest Practicable Date, the outstanding principal amount of the Convertible Notes was approximately HK\$2,776.27 million.

Given that the property market of Hainan province in general has been on a downward trend compared to the time when the Target was first acquired, the Target has incurred losses for the two years ended 31 December 2012 as a result of impairment

LETTER FROM BRIDGE PARTNERS

losses made against the properties of Yuhaiwan. The Directors are of the view that the property market in Hainan Province is less robust after the property tightening policies implemented by the government of the PRC and expects that it may take a long time for the market to digest the supply of its residential properties. Therefore, the Company has endeavoured to minimize its exposure in the Hainan Province. We noted that the Company had taken measures to minimize its exposure in the Hainan Province, including but not limited to, disposing 25% equity interests (being the entire interest held by the Company) in a project company called Swan Bay Garden, a residential and resort development in Hainan Province, as disclosed in an announcement on 20 December 2012, and the equity interests in the Target under the Sale and Purchase Agreement.

Despite that, the Directors also expressed they will continue to develop the residential projects in other provinces of the PRC, namely “South Lake Village Phase II” and “Linhe Rebuilding Project”, which are both under development and expected to complete in 2014. The Group will also continue to identify opportunities to acquire land and properties at affordable prices for future property development.

According to the Board Letter, the Board has considered other alternative methods apart from selling the equity interests in the Target to the Purchaser, which includes continuously selling the unsold units to the public. However, the management of the Company considers that the Company is likely to generate less benefits if the unsold units were continuously sold to the public because (i) the net cash inflow to be generated from the selling of the unsold units to the public will not be greater than the value of Convertible Notes that is subject to be cancelled by the Purchaser and (ii) the Company would have to incur further marketing and operating cost in order to offload all the unsold units to the public.

Based on our analysis, we considered that (i) the Group’s share of appraised value of the unsold portion of the Project calculated by the Independent Valuer less other net liabilities of the Target is significantly less than the consideration offered by the Purchaser and (ii) the Proposed Disposal allows the Company to save the extra marketing, operating and time cost. Therefore, we concur with the management of the Company that it is more beneficial to sell the unsold residential units of the Project to the Purchaser rather than continuing to sell to the general public.

In consideration of the above mentioned factors, we concur with the Directors’ view that the Proposed Disposal offers an opportunity for the Company to strengthen its financial position and improve its gearing ratio by releasing a substantial repayment obligation of the Group prior to the maturity of the Convertible Notes and at the same time, offloading a project that has been loss making. We also consider that the Proposed Disposal is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole since the Proposed Disposal would allow the Company to realize the potential benefits of the Project immediately and the Company can then pursue other projects with better returns.

(5) Principal terms of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire or procure its designated entity(ies) to acquire and the Company has conditionally agreed to procure Xintian Property (an indirect wholly-owned subsidiary of the Company) to sell the Sale Shares, being 63.2% of the equity interest of the Target. The remaining 36.8% equity interests of the Target is held by 海南陸橋集團有限公司 (Hainan Luqiao Group Limited*), an Independent Third Party. The consideration of the Sale Shares was determined after arm's length negotiation between the Company and the Purchaser with reference to, among others, the Valuation Report, the unaudited management account of the Target and the fair value of the Convertible Notes as at 31 December 2012, and the prospects of the current real estate market in Hainan Province, the PRC.

The consideration of the Proposed Disposal will be satisfied by the Purchaser by way of setting off against the Convertible Notes held by the Purchaser with a face value of HK\$337 million and a fair value of approximately HK\$259.9 million as at 31 December 2012. The face value of HK\$337 million was the original net asset value of the Target attributable to the Company as at the date of the Previous Acquisition. The Project did not contribute any profit to the Company after the Previous Acquisition, therefore it is mutually agreed by the Company and the Purchaser that the Convertible Notes with the face value of HK\$337 million will be cancelled as the consideration of the Proposed Disposal. Under the Sale and Purchase Agreement, the Purchaser shall also pledge the Convertible Notes with the face value no less than HK\$337 million with the Company until the date of Completion and such portion of the Convertible Notes shall be beneficially and legally owned by the Purchaser and free from any obligation and liability. The Convertible Notes with the face value of HK\$337 million pledged with the Vendor shall be cancelled pursuant to its terms upon Completion.

According to the Valuation Report, we understand that the valuation of the unsold portion of the Project was conducted by using the Direct Comparison Method, which is a commonly adopted approach for valuing properties. We understand that the Valuation Report has not only taken into account the actual number of sold and unsold residential units of the Project, but also the comparable commercial properties of similar size and location, in order to arrive at a fair comparison of values. During our discussion with the Independent Valuer, we have reviewed and have not identified any major factor which caused us to doubt the fairness and reasonableness of the principal basis and assumptions adopted in the Valuation Report.

On the other hand, despite that the Project is now in a different stage as compared with it at the time of the Previous Acquisition, the Target has been loss making from the date of the Previous Acquisition up to 31 December 2012 (when the Project began pre-sale) and the net asset value of the Target attributable to the Company dropped from HK\$337 million to HK\$128.1 million. We consider that the Proposed Disposal is beneficial to the Company as an estimated gain of approximately HK\$131.8 million, which is calculated by the fair value of HK\$259.9 million of the Convertible Notes minus

LETTER FROM BRIDGE PARTNERS

the net asset value of the Target attributable to the Group of approximately RMB103.6 million (equivalent to approximately HK\$128.1 million) as at 31 December 2012, will be recorded as a result of the Proposed Disposal.

In view of the above and our analysis under the section headed “Residential property industry in the Hainan province” in this letter showing that Haikou residential property prices have not materially fluctuated, we considered that the consideration of the Proposed Disposal (being the same as the original net asset value of the Target attributable to the Company as at the date of the Previous Acquisition of HK\$337 million) is fair and reasonable, and not in a way favourable to Mr. Zhang. We also consider that the settlement method of the consideration for the Proposed Disposal by setting off against the Purchaser’s outstanding convertible note (with a face value of HK\$337 million and a fair value of approximately HK\$259.9 million) is fair and reasonable as it is the same method of settlement when the Company first acquired the Target from the Purchaser. Furthermore, given that the consideration represents a premium over the appraised net asset value of the Target attributable to the Company as at 31 December 2012 and the Convertible Notes will be pledged with the Company until the date of Completion, we concur with the Directors’ view that the terms of the Sale and Purchase Agreement are fair and reasonable and the entering into of the Sale and Purchase Agreement is in the interests of the Company and Shareholders as a whole.

(6) Possible financial effects of the Proposed Disposal

Upon Completion, the Company will no longer have any interest in the Target. The Target will cease to be a subsidiary of the Company and the results of which will cease to be consolidated into the accounts of the Group. It is expected that the Company will record a gain of approximately HK\$131.8 million, which is calculated by the fair value of HK\$259.9 million of the Convertible Notes minus the net asset value of the Target attributable to the Group of approximately RMB103.6 million (equivalent to approximately HK\$128.1 million) as at 31 December 2012.

The outstanding principal amount of the Convertible Notes held by the Purchaser will be reduced to HK\$2,037.85 million assuming that there is no conversion of the Convertible Notes prior to Completion. Then the gearing ratio (computed as total debts over total assets) of the Group will be reduced accordingly.

The final financial impact of the Proposed Disposal will be subject to the net asset value of the Target and the valuation of the Convertible Notes as at the date of Completion.

It should be noted that the aforementioned analyses are for illustrative purposes only and does not purport to represent how the financial position of the Group will be upon completion of the Sale and Purchase Agreement.

LETTER FROM BRIDGE PARTNERS

RECOMMENDATION

Having considered the above factors and reasons, we are of the opinion that the Proposed Disposal is on normal commercial terms and in the ordinary and usual course of business of the Company.

We are also of the view that the Proposed Disposal is fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the SGM to approve the Proposed Disposal and the transactions contemplated under the Sale and Purchase Agreement and we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution in this regard.

Yours faithfully,
For and on behalf of
Bridge Partners Capital Limited
Monica Lin
Managing Director

1. FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for each of the three years ended 31 December, 2009, 2010 and 2011 are disclosed in the Company's annual reports for each of the three years ended 31 December, 2009, 2010 and 2011 and the published unaudited consolidated financial statements of the Group for the six months ended 30 June, 2012 are disclosed in the Company's interim report for the six months ended 30 June, 2012, which can be accessed on both the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.760hk.com/>).

2. INDEBTEDNESS

Borrowings

At the close of business on 31 January 2013, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had total outstanding indebtedness comprising secured bank loans of approximately RMB1,452.4 million, other unsecured borrowings of approximately RMB417.0 million, amount due to an associate of approximately RMB310.0 million, convertible notes with principal amount of HK\$2,776.3 million and promissory notes with principal amount of HK\$160 million.

Pledged of assets

At the close of business on 31 January 2013, the Group had pledged the following amount of assets to secure the bank borrowings of the Group:

	<i>RMB'000</i>
Properties under development	1,967,924
Completed properties held for sale	547,508
Investment properties	258,840
Land and buildings	1,365,833

Restricted cash

As at the close of business on 31 January 2013, the Group had the restricted cash for the amount of approximately RMB14.2 million.

Contingent liabilities

As at 31 January 2013, the Group provided guarantees to the extent of approximately RMB93.3 million to banks in respect of mortgage loans provided by the banks to customers for the purchase of the developed properties of the Group. These guarantees provided by the Group to the banks would be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables, the Group did not have any loan capital issued or agreed to be issued, debt securities issued and outstanding, authorised or otherwise created but unissued, term loans, other borrowings or indebtedness including bank overdrafts, liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 31 January 2013.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that after taking into account the present internal resources and available bank and other loans of the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular, in the absence of any unforeseeable circumstances.

4. FINANCIAL AND TRADING PROSPECTS

After disposal of property development projects in Hainan Province, PRC, the Group is principally engaged in (i) property investment, development and management in Guangzhou, (ii) hotel operation in Guangzhou and (iii) the design, development, manufacture and sale of electronic products.

(i) Property businesses

Regarding the real estate market of major cities in PRC, during 2012, sales started off pretty weak and slowly picked up in June on the back of required reserve ratio cut and supports from the easing of Home Provident Fund (住房公積金) at local government level. In early November 2012, the National People's Congress of the PRC (中國全國人民代表大會) ended up without much change on the policy front, and since then market sentiments have vividly turned positive with strong underlying demand releasing, which was backed up by the rapid availability of home mortgages from commercial banks. The expectation of an increasing home-price trend has again built-up in general public's mind. In this respect, on 20 February 2013, the State Council of the PRC (中國國務院) released five new policies to regulate the real estate market, including new initiatives aimed at streamlining the work responsibility system for property prices, controlling speculative property investments, increasing commodity housing and land supply, stepping up construction of affordable housing, as well as tightening controls of the market. On 1 March 2013, the central government of the PRC rolled out specific rules to further tighten the control of the property market amid expectations for climbing housing prices. The measures include income taxes to be levied on home owners who sell their homes to second-hand buyers, and increasing down payment rate and loan interest rate for buyers who purchase the second unit.

After disposal of projects in Hainan Province, the current property development & investment projects of the Group are focused in Guangzhou. Although Guangzhou is a first-tier city where its real estate market is subject to stringent control, the domestic fundamental demand is still strong. In order to tackle the challenges brought by these new control policies, the Group will put extra efforts to speed up the construction of its project

under development, namely, Talent Banshan (South Lake Village Phase II) and to schedule its opening for pre-sale as soon as possible. It is expected an after-tax net cash inflow can be generated from the sales of this project in near terms. In addition, the Group will focus on city redevelopment that is supported by local communities and government and is considered to be less affected by those nationwide property control measures. Considering these prospects, the Board is going to concentrate on its property development business and will devote more resources to support its growth.

(ii) Hotel business

Since the opening of the Group's Hilton Guangzhou Tianhe in 2011, its brand name has received increasing local recognition and improving operating result was achieved. However, market competition has been intensified. There are a few more worldwide brand name hotels opened or scheduled to be opened within the Tianhe district soon. In addition, prospect arising from government related spending is expected to be negatively affected by recent political development of the PRC. Despite the value of the hotel premise is high, it needs a few more years to achieve a net operating cash inflow that is enough to fund its own financing as well as a net earning after depreciation, amortization and finance cost.

(iii) Business of electronic products

In recent years, the manufacturing business is facing various challenges including increasing concern of environmental issue, increasing labour cost and labour issue, increasing production and distribution cost as well as the volatility of foreign exchange market. The segmental results of the electronic products division has also deteriorated as compared to last year. The management of the Company has to put extra care to maintain its business scale and market share in the near future; However, benefit may not be guaranteed. The Group will consider divest its investment in such segment, if appropriate, in order to reserve more resources in the property development sector.

The Group incurred a loss of HK\$351 million for the six months ended 30 June 2012 and is expected to remain as loss for the year ended 31 December 2012. Overall, despite the challenges on the operational environment, the Group is considering various means to minimise the risk exposure, achieve long term sustainable growth and increase the Shareholders' value through reorganising its business portfolio, downsizing the loss making operation and developing new property project with growth potential through acquisition, as and when such opportunity arises.

**B.I. Appraisals Limited**
保柏國際評估有限公司

Registered Professional Surveyors, Valuers & Property Consultants

Unit 1301, 13th Floor, Tung Wai Commercial Building,
Nos. 109-111 Gloucester Road, Wan Chai, Hong Kong
Tel: (852) 21277762 Fax: (852) 21379876
Email: info@biappraisals.com
Website: www.bigroupchina.com

21 March 2013

The Directors
Talent Property Group Limited
Unit 1217, North Tower
Concordia Plaza
1 Science Museum Road
Tsim Sha Tsui
Kowloon

Dear Sirs,

Re: The unsold portion of Yuhaiwan (譽海灣), Haisheng Road, Xiuying District, Haikou City, Hainan Province, The People's Republic of China ("PRC")

In accordance with the instructions from Talent Property Group Limited (hereinafter referred to as the "Company") for us to value the captioned property (hereinafter referred to as the "Property"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of the Property as at 31 December 2012 (hereinafter referred to as the "Date of Valuation").

It is our understanding that this valuation document is to be used for reference purpose in relation to the possible disposal of the Property. We further understand that our valuation and/or valuation report may subsequently be included in an announcement and/or circular to be issued by the Company regarding the proposed disposal.

This letter, forming part of our valuation report, identifies the property being valued, explains the basis and methodology of our valuation, and lists out the assumptions and the title investigation we have made in the course of our valuation, as well as the limiting conditions.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Our valuation has been carried out in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) issued by the Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices, which are in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION ASSUMPTIONS

Our valuation is made on the assumption that the Property would be sold in the open market without the benefit of deferred term contracts, lease backs, joint ventures, management agreements, or any similar arrangements, which could serve to affect its value. In addition, no account has been taken of any option or right of pre-emption concerning or effecting a sale and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

VALUATION METHODOLOGY

We have valued the Property, which is held for sale by the Company, by using the Direct Comparison Method, assuming that the Property is capable of being sold with the benefit of immediate vacant possession, and by making reference to comparable sales evidence as available in the relevant market.

TITLE INVESTIGATION

We have been provided by the Company with copies of title documents and a legal opinion dated 21 March 2013 prepared by 廣東君信律師事務所 (Kingson Law Firm), the Company's legal advisor on PRC law (hereinafter referred to as the "PRC Legal Advisor"), regarding the title to and the interest in the Property. All documents and leases have been used for reference only.

In the course of our valuation, we have relied on the advice given by the Company and the legal opinion of the PRC Legal Advisor regarding the title to and the interest in the Property. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title to the Property that is assumed to be good and marketable.

LIMITING CONDITIONS

We have inspected the exterior, and where possible, the interior of the Property in February 2013. However, no structural survey has been made nor have any tests been carried out on any of the building services provided in the Property. We are, therefore, not able to report that the Property is free from rot, infestation or any other structural defects. Yet, in the course of our inspection, we did not note any serious defects.

We have not conducted any on-site measurement to verify the correctness of the site and floor areas of the Property but have assumed that the areas shown on the documents furnished to us are correct. Dimensions, measurements and areas included in the valuation certificate attached are based on information contained in the documents provided to us by the Company and are therefore approximations only.

Moreover, we have not carried out any site investigations to determine or otherwise the suitability of the ground conditions, the presence or otherwise of contamination and the provision of or otherwise suitability for services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred in the event of any development.

We have relied to a considerable extent on the information provided and the advice given to us by the Company on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the Property. We have not seen original planning consents and have assumed that the Property has been erected, occupied and used in accordance with such consents.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

Our valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

This report and each part of it is prepared and intended for the exclusive use of the Company for the purpose hereinbefore stated. In accepting this report, the Company expressly agrees not to use or rely upon this report or any part of it for any other purpose without obtaining our prior written consent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

REMARKS

We hereby confirm that we have neither present nor prospective interests in the Company, the Property, its owner or the value reported herein.

Our Valuation Certificate is hereby enclosed for your attention.

Yours faithfully,

For and on behalf of

B.I. APPRAISALS LIMITED

William C. K. Sham *MRICS, MHKIS, MCIREA*

Registered Professional Surveyor (G.P.)

China Real Estate Appraiser

Executive Director

Notes:

- (1) Mr. William C. K. Sham is a qualified valuer on the approved List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the Hong Kong Institute of Surveyors. Mr. Sham has over 30 years' experience in the valuation of properties in Hong Kong and has over 15 years' experience in the valuation of properties in the PRC and the Asia Pacific regions.
- (2) The Property was inspected by Mr. Danny Li, Director, who has over 20 years' experience in the valuation of properties in Hong Kong and has over 10 years' experience in the valuation of properties in the PRC.

VALUATION CERTIFICATE

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 December 2012</u>																	
The unsold portion of Yuhaiwan, Haisheng Road, Xiuying District, Haikou City, Hainan Province, The PRC	<p>Yuhaiwan is a mixed commercial and residential development built on a parcel of land with a site area of approximately 48,324.15 sq.m. (520,161 sq.ft.) located on the northern side of Haisheng Road within Xiuying District of Haikou City.</p> <p>The subject development, completed in about late 2012, comprises 7 blocks of high-rise residential building with commercial spaces and communal facilities including a clubhouse, a nursery school and a 2-storey basement car park accommodating 669 car parking spaces (32 of which are designed as twin parking spaces).</p> <p>The Property comprises the unsold portions of the subject development, including the basement car park of approximately 22,677.96 sq.m. (244,106 sq.ft.) and residential units having a total gross floor area of approximately 14,257.11 sq.m. (153,464 sq.ft) that were pre-sold but not yet delivered.</p> <p>The total gross floor area of the Property, excluding the area for the basement car park and the pre-sold residential units, is approximately 41,201.26 sq.m. (443,490 sq.ft.), comprising the following:</p> <table border="1"> <thead> <tr> <th rowspan="2">Usage</th> <th colspan="2">Approximate Gross Floor Area</th> </tr> <tr> <th>(sq.m.)</th> <th>(sq.ft.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>36,110.00</td> <td>388,688</td> </tr> <tr> <td>Commercial</td> <td>1,488.43</td> <td>16,021</td> </tr> <tr> <td>Communal</td> <td><u>3,602.83</u></td> <td><u>38,781</u></td> </tr> <tr> <td>Total:</td> <td><u>41,201.26</u></td> <td><u>443,490</u></td> </tr> </tbody> </table>	Usage	Approximate Gross Floor Area		(sq.m.)	(sq.ft.)	Residential	36,110.00	388,688	Commercial	1,488.43	16,021	Communal	<u>3,602.83</u>	<u>38,781</u>	Total:	<u>41,201.26</u>	<u>443,490</u>	The Property is currently vacant.	RMB556,000,000 (Value attributable to the Group: RMB351,392,000)
Usage	Approximate Gross Floor Area																			
	(sq.m.)	(sq.ft.)																		
Residential	36,110.00	388,688																		
Commercial	1,488.43	16,021																		
Communal	<u>3,602.83</u>	<u>38,781</u>																		
Total:	<u>41,201.26</u>	<u>443,490</u>																		

The land use rights of the Property have been granted for residential use for a term due to expire on 7 August 2073.

Notes:

- (1) Pursuant to the Certificate of State-owned Land Use 海口市國用字(2009)第013180號 (Hai Kou Shi Guo Yong Zi (2009) No. 013180) dated 29 December 2009 issued by Haikou Municipal People's Government, the land use rights of the subject development with a site area of 48,324.15 sq.m. have been granted to Hainan Honglun Properties Limited (hereinafter referred to as "Honglun"), an indirectly 63.2% owned subsidiary of the Company, for a term due to expire on 7 August 2073 for residential use.
- (2) Pursuant to the Co-operative Development of Haisheng Apartment Framework Contract dated 8 July 2009 entered between 天倫控股有限公司 (Talent Holdings Limited, "Party A") and Hainan Luqiao Group Limited, ("Party B"), both parties agreed to jointly carry out development of the subject land by forming a project company (i.e. Hainan Honglun Properties Limited). Major conditions of the said agreement are summarized as follows:
 - (a) Party B shall transfer the subject land to the project company and guarantee that the land premium together with acquisition and relocation compensation fee have been settled in full and that the subject land is free from disputes.
 - (b) Party A shall be responsible for the contribution of the capital required for the development of the subject land and for the investment operation, management and development of the subject land.
 - (c) The project shall be completed by not more than three phases and within 6 years.
 - (d) Both parties agreed to share the property (upon completion) on the gross floor area basis as follows:
 - (i) Residential and commercial units: 63.2% to Party A and 36.8% to Party B;
 - (ii) Car parking spaces on above ground level: 80% to Party A and 20% to Party B;
 - (iii) Clubhouse, school and other communal public facilities: 80% to Party A and 20% to Party B; and
 - (iv) The floor area and the parking spaces on Basement (except areas for utility services): 80% to Party A and 20% to Party B.
- (3) Pursuant to an agreement dated 10 August 2009 entered into between Talent Holdings Limited and Hainan Kaiya Industries Limited, it is agreed that all interests held by Talent Holdings Limited in the subject project would be transferred to Hainan Kaiya Industries Limited. It is stated in the said agreement that the consent from Hainan Luqiao Group Limited on the said transfer of interest has been granted.
- (4) We have been advised that Talent Holdings Limited is beneficially owned by a close family member of Mr. Zhang Gao Bin. Mr. Zhang Gao Bin is a director of Honglun. Whereas Hainan Kaiya Industries Limited, now known as Xintian Property Group Co., Ltd., is an indirect wholly owned subsidiary of the Company.
- (5) Pursuant to the Planning Permit for Construction Works 建字第460100201000100號 (Jian Zi No. 460100201000100) dated 12 July 2010 issued by Haikou Municipal Planning Bureau, the construction works for the subject development with a total gross floor area of 94,867.17 sq.m. (exclusive of basement area of 31,519.26 sq.m.) were in compliance with the planning requirements.
- (6) Pursuant to the Commencement Permit for Construction Works No. 460100201009020101 dated 2 September 2010 issued by 海口市住房和城鄉建設局 (Haikou Municipal Housing and Urban and Rural Construction Bureau), the foundation works for the first phase development were in compliance with the requirements for commencement and were approved to commence.
- (7) Pursuant to the Commencement Permit for Construction Works No. 460100201009020101 dated 2 September 2010 issued by Haikou Municipal Housing and Urban and Rural Construction Bureau, the construction works for the first phase development comprising 8 blocks of 3 to 31-storey building with a total gross floor area of 125,679.69 sq.m. were in compliance with the requirements for commencement and were approved to commence.

- (8) Pursuant to the Commencement Permit for Construction Works No. 460100201104150101 dated 4 April 2011 issued by Haikou Municipal Housing and Urban and Rural Construction Bureau, the construction works for the 3-storey nursery in the first phase development having a gross floor area of 671.74 sq.m. were in compliance with the requirements for commencement and were approved to commence.
- (9) Pursuant to the Pre-sale Permit for Commodity Property [2011] 海房預字(0001)號 ([2011] Hai Fang Yu Zi No. (0001) dated 5 January 2011 issued by Haikou Municipal Housing and Urban Rural Construction Bureau, approval for presale of a total gross floor area of 58,559.53 sq.m. in Block A4, A5, A7 and A8 of Yuhaiwan (Phase I) has been granted.
- (10) Pursuant to the Pre-sale Permit for Commodity Property [2011] 海房預字(0023)號 ([2011] Hai Fang Yu Zi No. (0023) dated 30 March 2011 issued by Haikou Municipal Housing and Urban Rural Construction Bureau, approval for presale of a total gross floor area of 30,776.94 sq.m. in Block A6, A9 and A10 of Yuhaiwan (Phase I) has been granted.
- (11) Pursuant to the Pre-sale Permit for Commodity Property [2012] 海房預字(0038)號 ([2012] Hai Fang Yu Zi No. (0038) dated 6 July 2012 issued by Haikou Municipal Housing and Urban Rural Construction Bureau, approval for presale of a total gross floor area of 24,730.44 sq.m. in the basement of Yuhaiwan (Phase I) has been granted.
- (12) We have been advised by the Company that as at the Date of Valuation, 128 residential units having a total gross floor area of approximately 14,257.11 sq.m. of the Property have been agreed to be sold to 3rd party purchasers at an aggregate contract sum of RMB138,923,652. In the course of our valuation, we have taken into account the aggregate contract sum.
- (13) We have been advised that the interest in the subject development was acquired on 10 December 2010. The total development cost incurred for the subject development during the period from 10 December 2010 to 31 December 2012 was approximately RMB528,400,000.
- (14) The opinion of the PRC Legal Advisor is summarized as follows:
- (a) Honglun was incorporated and registered in accordance with the law. It is in possession of the qualification for operation in the real estate development business. Currently, Honglun is legally and validly existing.
 - (b) Honglun is in possession of the proper legal title to the land use rights of the Property and has obtained the necessary authorization and approval for the construction of the subject project. Honglun is entitled to occupy, use, transfer, mortgage and lease the subject project in accordance with the laws.
 - (c) Honglun has obtained the Pre-sale Permits for a total gross floor area of 89,336.47 sq.m. and a total basement area of 24,730.44 sq.m. of the subject development.
 - (d) As at 31 December 2012 (i.e. the Date of Valuation), a total gross floor area of approximately 37,319 sq.m. for residential use has been sold and delivered and a total gross floor area of approximately 14,257 sq.m. for residential use has been pre-sold but not yet delivered.
 - (e) Apart from that the land use rights and the construction works thereof are mortgaged, the subject project is not subject to any seizure or other third party rights.
- (15) The status of title and grant of major approvals, consents or licences in accordance with the information provided by the Company and the aforesaid legal opinion are as follows:

Contract for Grant of State-owned Land Use Rights	Signed
Certificate of State-owned Land Use	Obtained
Planning Permit for Construction Works	Obtained
Commencement Permit for Construction Works	Obtained
Pre-sale Permit for Commodity Property	Obtained
Co-operative Development Contract	Signed

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 aspects 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 DIRECTORS' INTERESTS

As 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 for Securities Transactions by Directors of Listed Issuers adopted by the Company (the "Model Code").

3. DISCLOSURE OF INTEREST OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Division 2 and 3 of Part XV of the SFO:

Name	Number of ordinary shares held	Number of underlying shares interest	Percentage of the Company's issued share capital %
Winspark Venture Limited ¹	829,509,340	—	25.69%
Talent Trend	—	7,196,515,152	222.89%
Top Rich Limited ²	—	1,151,515,151	35.67%

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 Top Rich Limited is held by Top One Limited, which is directly, beneficially and wholly owned by Mr. Choi Chiu Fai, Stanley.

Save as mentioned above, as at the Latest Practicable Date, to the Directors' knowledge, there was no other person (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of SFO.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective associates was interested in any business apart from the Company's business, which competed or was likely to compete, either directly or indirectly, with the Company's business.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, the date to which the latest audited financial statements of the Group were made up.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors, proposed Directors had any existing or proposed service contracts with the Company which is not determinable by the employer within one year without payment of compensation other than statutory compensation.

7. INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interest, direct or indirect, in any asset which had been since 31 December 2011, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors nor chief executives of the Company was materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Company.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

9. MATERIAL CONTRACTS

The following contracts (not being contract in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the issue of this circular and are or may be material:

- (a) the Sale and Purchase Agreement;
- (b) the agreement dated 20 December 2012 in relation to the disposal of the 25% equity interest of Hainan White Horse Swan Bay Garden Properties Limited by the Group to Guangzhou Xinyi Shiye Development Co., Ltd, an Independent Third Party, at a consideration of approximately RMB85.1 million, which has been disclosed in the announcement dated 20 December 2012 of the Company; and
- (c) the disposal agreements dated 24 June 2011 in relation to the disposal of 18 commercial units of Phase II of Jingang Garden by the Group to Independent Third Parties, at an aggregate consideration of RMB202 million, which has been disclosed in the announcement dated 24 June 2011 of the Company.

10. QUALIFICATION AND CONSENT OF EXPERTS

The following sets out the qualifications of the experts which have given an opinion or advice on the information contained in this circular:

Name	Qualifications
Bridge Partners Capital Limited	a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
B.I. Appraisals Limited	registered professional valuer

- (a) As at the Latest Practicable Date, Bridge Partners Capital Limited and B.I. Appraisals Limited had no interest, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (b) As at the Latest Practicable Date, Bridge Partners Capital Limited and B.I. Appraisals Limited had no interest, direct or indirect, in any assets which have been since 31 December 2011, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) Each of Bridge Partners Capital Limited and B.I. Appraisals Limited has given and has not withdrawn its written consent to the issue of this circular with its letter or report included in the form and context in which it is included.

- (d) The letter and recommendation given by the Independent Financial Adviser are given as of the date of this circular for incorporation therein.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Unit 1217, North Tower Concordia Plaza, No. 1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong during normal business hours up to and including the date of the SGM.

- (a) the memorandum and articles of association of the Company;
- (b) the Sale and Purchase Agreement;
- (c) other material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (d) the annual reports of the Company for the three years ended 31 December 2011, 2010 and 2009;
- (e) the interim report of the Company for the six months ended 30 June, 2012;
- (f) letter from Independent Financial Adviser, the text of which is set out on pages 13 to 22 of this circular;
- (g) the valuation report dated 21 March 2013 in respect of the valuation of the Project held by the Target as at 31 December 2012, the text of which is set out in Appendix II to this circular;
- (h) the written consents referred to in the paragraph headed “Qualification and Consent of Experts” in this Appendix;
- (i) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 11 to 12 of this circular; and
- (j) this circular.

12. GENERAL

- (a) The company secretary of the Company is Mr. Lee Wai Kuen, a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (b) The Company’s branch share registrar is Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (c) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

- (d) The head office and principal place of business in Hong Kong is Unit 1217, North Tower Concordia Plaza, No. 1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.



TALENT PROPERTY GROUP LIMITED

新天地产集团有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00760)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (“SGM”) of the Company will be held at Unit 1217, North Tower Concordia Plaza, No. 1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 12 April 2013 at 9:30 a.m. to consider and if thought fit, pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the Sale and Purchase Agreement as defined in the circular dated 21 March 2013 despatched to the shareholders of the Company (the “**Circular**”), a copy of which has been produced to this meeting marked “A” and signed by the Chairman hereof for the purpose of identification, and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the redemption and cancellation of the Convertible Notes (as defined in the Circular) with face value of HK\$337 million pursuant to the Sale and Purchase Agreement be and are hereby approved; and
- (c) any one director of the Company be and is hereby authorised to do all such acts and things as he in his sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Sale and Purchase Agreement and the transactions contemplated thereunder, including without limitation the redemption and cancellation of the Convertible Notes with face value of HK\$337 million, and, where required, any amendment of the terms of the Sale and Purchase Agreement as required by, or for the purposes of obtaining the approval of, relevant authorities or to comply with all applicable laws, rules and regulations.”

By order of the Board
Talent Property Group Limited
Ng Pui Keung
Chairman

Hong Kong, 21 March 2013

* *For identification purposes only*

NOTICE OF SGM

Notes:

1. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company.
2. To be valid, the form of proxy, together with any power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar, Computershare Hong Kong Investor Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 48 hours before the appointed time for the holding of the Meeting (or at any adjournment thereof).
3. A proxy need not be a member of the Company but must attend the SGM in person to represent you.
4. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.