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TALENT PROPERTY GROUP LIMITED

新天地產集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 760)

(1) PROPOSED CAPITAL REORGANISATION AND (2) PROPOSED AMENDMENTS TO THE BYE-LAWS

I. PROPOSED CAPITAL REORGANISATION

The Board wishes to announce that the Company proposes to undertake and implement the Capital Reorganisation which will involve the following steps:

- (a) the Capital Reduction, which will involve the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.07 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.08 to HK\$0.01;
- (b) subject to and immediately following the Capital Reduction, the Share Subdivision, which will involve the subdivision of each of the unissued Shares of par value of HK\$0.08 each in the share capital of the Company into 8 unissued New Shares of par value of HK\$0.01 each;
- (c) the Share Premium Reduction, which will involve the cancellation of the entire amount standing to the credit of the share premium account of the Company to nil; and

* For identification purposes only

- (d) the Crediting of Contributed Surplus, which will involve the transfer of the credit arising from the Capital Reduction and Share Premium Reduction to the Contributed Surplus Account, and the authorisation for the Board to apply the amount standing to the credit of the Contributed Surplus Account in any manner as may be permitted under the Bye-laws, the Companies Act and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time.

II. PROPOSED AMENDMENTS TO THE BYE-LAWS

The Board also wishes to announce that it is proposed that certain amendments be made to the existing Bye-laws to the Company in order to (i) bring the Bye-laws in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023; (ii) provide the Company with flexibility to hold treasury shares under its Bye-Laws in view of the recent amendments in the Listing Rules relating to treasury shares which will take effect from 11 June 2024; (iii) to reflect the change in par value of the shares in the Company brought by the Capital Reorganisation; and (iv) make other consequential and house-keeping amendments.

III. GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve (i) the Capital Reorganisation and (ii) the Bye-laws Amendments.

A circular containing, among other things, further details of the Capital Reorganisation, the Bye-law Amendments and a notice convening the SGM will be despatched to the Shareholders on or before Monday, 27 May 2024. Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon satisfaction of the conditions as set out in the section headed “Conditions of the Capital Reorganisation” in this announcement. Accordingly, the Capital Reorganisation may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. If they are in any doubt, they should consult their professional advisers.

I. PROPOSED CAPITAL REORGANISATION

The Board wishes to announce that the Company proposes to undertake and implement the Capital Reorganisation which will involve the following steps:

- (a) the Capital Reduction, which will involve the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.07 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.08 to HK\$0.01;
- (b) subject to and immediately following the Capital Reduction, the Share Subdivision, which will involve the subdivision of each of the unissued Shares of par value of HK\$0.08 each in the share capital of the Company into 8 unissued New Shares of par value of HK\$0.01 each;
- (c) the Share Premium Reduction, which will involve the cancellation of the entire amount standing to the credit of the share premium account of the Company to nil; and
- (d) the Crediting of Contributed Surplus, which will involve the transfer of the credit arising from the Capital Reduction and Share Premium Reduction to the Contributed Surplus Account, and the authorisation for the Board to apply the amount standing to the credit of the Contributed Surplus Account in any manner as may be permitted under the Bye-laws, the Companies Act and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time.

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 comprised of 6,250,000,000 Shares of HK\$0.08 each, of which 514,656,827 Shares have been issued and are fully paid or credited as fully paid.

Effects of the Capital Reorganisation

Assuming that there is no change in the issued share capital of the Company during the period from the date of this announcement to the day immediately prior to the effective date of the Capital Reorganisation, upon the Capital Reorganisation taking effect, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately upon the Capital Reorganisation taking effect
Par value	HK\$0.08 per Share	HK\$0.01 per New Share
Authorised share capital	HK\$500,000,000 divided into 6,250,000,000 Shares	HK\$500,000,000 divided into 50,000,000,000 New Shares
Number of issued shares	514,656,827 Shares	514,656,827 New Shares
Amount of the issued and paid up share capital	HK\$41,172,546.16	HK\$5,146,568.27
Number of unissued shares	5,735,343,173 Shares	49,485,343,173 New Shares
Amount of the unissued share capital	HK\$458,827,453.84	HK\$494,853,431.73

As at 31 December 2023, the share premium account of the Company has a credit amounted to HK\$3,302,158,000 (or approximately RMB2,982,905,000 as set out in the 2023 Annual Report). The entire amount standing to the credit of the Share Premium Reduction will be cancelled and credit arising therefrom, together with the credit arising from the Capital Reduction in the aggregate amount of HK\$36,025,977.89 based on the number of Shares in issue as at the date of this announcement, will be transferred to the Contributed Surplus Account. The amount standing to the credit of the Contributed Surplus Account will be applied in any manner by the Board as may be permitted under the Bye-laws, the Companies Act and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company or making further distribution from time to time.

Further, upon the Capital Reorganisation taking effect:

- (a) there will be no change in the number of issued Shares or percentage level of shareholding held by or any rights of each Shareholder;
- (b) all of the New Shares shall rank *pari passu* in all respects with each other and subject to the restrictions in the Bye-laws; and
- (c) the existing board lot of 30,000 Shares will remain unchanged.

Save for (i) the possible application of the credit arising from the Share Premium Reduction and Capital Reorganisation towards offsetting the accumulated losses of the Company in the future and (ii) expenses to be incurred in relation to the Capital Reorganisation, the Directors consider that the Capital Reorganisation will have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders.

The Company has no outstanding share options, warrants and convertible securities as at the date of this announcement.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the following conditions:

- (a) the passing of the special resolution approving the Capital Reorganisation by the Shareholders at the SGM;
- (b) compliance with section 46(2) of the Companies Act, namely that the Directors are satisfied that on the date on which the Capital Reduction and the Share Premium Reduction are to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction and the Share Premium Reduction would be, unable to pay its liabilities as they become due;
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be allotted and issued by the Company after the Capital Reorganisation becomes effective;
- (d) the compliance with the relevant procedures and requirements under the Listing Rules to effect the Capital Reorganisation; and
- (e) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Subject to the fulfilment of the conditions of the Capital Reorganisation, the effective date of the Capital Reorganisation is currently expected to be on Tuesday, 18 June 2024.

Reasons for the Capital Reorganisation

The Capital Reorganisation involves applying the credit arising from the Capital Reduction and the Share Premium Reduction towards the Contributed Surplus Account. Subject to the Bye-laws and applicable laws, the increase the credit balance in the Contributed Surplus Account of the Company as a result of the Capital Reorganisation provides the Company with flexibility in relation to the uses of such balance in the

Contributed Surplus Account, such as offsetting against the accumulated loss of the Company in the future or future distribution, if any, out of the Contributed Surplus Account.

The Company has been constantly monitoring the trading prices of the Company. Under the Companies Act, the Company is not permitted to issue new shares at a price lower than the par value unless with the sanction of the Court. Given the Shares are recently traded at a level close to the par value of the Shares, the Capital Reduction will provide the Company with greater flexibility to accommodate the issue of new shares in future when necessary. As such, the Board is of the view that the Capital Reorganisation is beneficial to and in the interests of the Company and Shareholders as a whole.

As at the date of this announcement, the Company has no plans to conduct any capital raising activities in the next 12 months nor is there any current plans to make any distribution out of the increased contributed surplus arising from the Capital Reorganisation. However, the Board cannot rule out the possibility of the Company doing so when suitable opportunities and circumstances arise in the course of future development of the Company. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

In view of the above reasons, the Board is of the view that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Listing application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange upon the Capital Reorganisation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

None of the Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Capital Reorganisation becoming effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is currently proposed to be sought.

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on Tuesday, 18 June 2024, the Shareholders may during the business hours, on or after Tuesday, 18 June 2024 and until Monday, 22 July 2024 (both dates inclusive) submit existing share certificates in the colour of yellow for the Existing Shares to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in exchange for new share certificates in the colour of green for the New Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be permitted by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of share certificates cancelled/issued is higher.

Notwithstanding the Capital Reorganisation becoming effective, the existing share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for New Shares at any time and will be accepted for delivery, trading and settlement purposes.

Expected timetable

The expected timetable for the implementation of the Capital Reorganisation is as follows:

Event	Time and Date
Despatch date of circular with notice of the SGM.	on or before Monday, 27 May 2024
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Tuesday, 11 June 2024
Closure of register of members for the entitlement to attend and vote at the SGM.	Wednesday, 12 June 2024 to Monday, 17 June 2024 (both dates inclusive)
Latest date and time for lodging forms of proxy for the SGM	4:30 p.m. on Saturday, 15 June 2024

Event	Time and Date
Record date for attending the SGM.	Monday, 17 June 2024
Date and time of the SGM	4:30 p.m. on Monday, 17 June 2024 (or immediately after the conclusion or adjournment of the AGM, whichever is later)
Announcement of voting results of the SGM	Monday, 17 June 2024

The following events are conditional upon the fulfilment of the conditions for the implementation of the Capital Reorganisation as set out in the announcement:

Effective date of the Capital Reorganisation.	Tuesday, 18 June 2024
First day for free exchange of existing share certificates for new share certificates for the New Shares.	Tuesday, 18 June 2024
Dealings in the New Shares commence.	9:00 a.m. on Tuesday, 18 June 2024
Last day for free exchange of existing share certificates for new share certificates for the New Shares.	Monday, 22 July 2024

All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

II. PROPOSED AMENDMENTS TO THE BYE-LAWS

The Board also wishes to announce that it is proposed that certain amendments be made to the existing Bye-laws to the Company in order to (i) bring the Bye-laws in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023; (ii) provide the Company with flexibility to hold treasury shares under its Bye-Laws in view of the recent amendments in the Listing Rules relating to treasury shares which will take effect from 11 June 2024; (iii) to reflect the change in par value of the shares in the Company brought by the Capital Reorganisation; and (iv) make other consequential and house-keeping amendments (collectively, the “**Bye-law Amendments**”).

The proposed amendments to the Bye-laws shall be subject to the passing of a special resolution by the shareholders of the Company at the SGM.

III. GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the (i) Capital Reorganisation and the (ii) Bye-laws Amendments. To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolution(s) proposed at the SGM.

A circular containing, among other things, further details of the Capital Reorganisation, the Bye-law Amendments and a notice convening the SGM will be despatched to the Shareholders on or before Monday, 27 May 2024. Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

Shareholders and potential investors of the Company should note that the Capital Reorganisation is conditional upon satisfaction of the conditions as set out in the section headed “Conditions of the Capital Reorganisation” in this announcement. Accordingly, the Capital Reorganisation may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

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

“2023 Annual Report”	the annual report of the Company for the year ended 31 December 2023;
“AGM”	the annual general meeting of the Company to be held at United Conference Centre, 10/F, United Centre, 95 Queensway, Hong Kong on Monday, 17 June 2024 at 4:00 p.m.;
“Board”	the board of the Directors;
“Bye-laws”	bye-laws of the Company, as amended from time to time;

“Bye-laws Amendments”	the proposed amendments to the Bye-laws as described in the section titled “II. Proposed Amendments to the Bye-laws” above;
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.07 on each issued Shares such that the par value of each issued Share will be reduced from HK\$0.08 to HK\$0.01;
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Capital Reduction, the Share Subdivision, the Share Premium Reduction and the Crediting of Contributed Surplus;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time;
“Company”	Talent Property Group Limited (新地產集團有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 760);
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act;
“Crediting of Contributed Surplus”	the proposed transfer of the credit arising the Capital Reduction and the Share Premium Reduction to the Contributed Surplus Account, and the authorisation for the Board to apply the amount standing to the credit of the Contributed Surplus Account in any manner as may be permitted under the Bye-laws, the Companies Act and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time;
“Directors”	the director(s) of the Company;
“Existing Share(s)”	share(s) of the Company before the Capital Reorganisation becomes effective;
“Group”	the Company and its subsidiaries;

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share(s)”	share(s) of the Company immediately after the Capital Reorganisation becoming effective;
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, inter alia, the Capital Reorganisation and the Bye-laws Amendment;
“Share(s)”	Existing Share(s) and/or New Share(s), as the case may be;
“Share Premium Reduction”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company;
“Share Subdivision”	the proposed subdivision of each of the unissued Share of par value of HK\$0.08 each in the share capital of the Company into 8 unissued New Shares of par value of HK\$0.01 each;
“Shareholder(s)”	holder(s) of Share(s); and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
Talent Property Group Limited
Zhang Gao Bin
Chairman and Executive Director

Hong Kong, PRC
10 May 2024

As at the date hereof, the Board comprises Mr. Zhang Gao Bin and Mr. Luo Zhanguan as Executive Directors and Mr. Lo Wai Hung, Mr. Mak Yiu Tong and Mr. Fok Chi Tat Michael as Independent Non-executive Directors.