
STRUCTURE AND CONDITIONS OF THE PLACING

PLACING

Subject to the exercise of the Offer Size Adjustment Options, our Company is initially offering 170,000,000 New Shares for subscription by way of the Placing and our Selling Shareholder is offering for sale 30,000,000 Sale Shares by way of Placing, in aggregate representing approximately 25% of the issued share capital of our Company upon completion of the Placing. The Placing Shares will be fully underwritten by the Joint Underwriters pursuant to the Underwriting Agreement subject to the Placing Price being fixed by agreement between our Company (for ourselves and on behalf of our Selling Shareholder) and the Joint Global Coordinators (for themselves and on behalf of the Joint Underwriters) on the Price Determination Date.

The Joint Underwriters or agent(s) nominated by them on behalf of our Company will conditionally place the Placing Shares at the Placing Price plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% with professional, institutional and individual investors.

CONDITIONS OF THE PLACING

The Placing will be conditional upon, among others:

- (a) the Listing Division of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus;
- (b) the Price Determination Agreement being entered into on or before the Price Determination Date; and
- (c) the obligations of the Joint Global Coordinators and the Joint Underwriters under the Underwriting Agreement becoming and remaining unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Joint Global Coordinators and the Joint Underwriters, and such obligations not having been terminated in accordance with the terms of the Underwriting Agreement),

in each case, on or before the dates and times specified in the Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the 30th day after the date of this prospectus.

If these conditions are not fulfilled or (where applicable) waived by the Joint Global Coordinators and the Joint Underwriters on or before the day which is the 30th day after the date of this prospectus, the Placing shall lapse and the Stock Exchange will be notified immediately. Notice of lapse of the Placing will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.thelloy.com on the next business day after such lapse.

STRUCTURE AND CONDITIONS OF THE PLACING

PLACING PRICE

The Placing Price will not be more than HK\$0.40 per Share and not less than HK\$0.30 per Share. Investors, when investing for the Shares, shall pay the Placing Price plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% amounting to a total of HK\$3,232.25 for every board lot of 8,000 Shares.

The Placing Price will be fixed by an agreement expected to be entered into between our Company (for ourselves and on behalf of our Selling Shareholder) and the Joint Global Coordinators (for themselves and on behalf of the Joint Underwriters) on the Price Determination Date which is scheduled on or about Friday, 2 October 2015 (or such later date as may be agreed between our Company (for ourselves and on behalf of our Selling Shareholder) and the Joint Global Coordinators (for themselves and on behalf of the Joint Underwriters)). If our Company (for ourselves and on behalf of our Selling Shareholder) and the Joint Global Coordinators (for themselves and on behalf of the Joint Underwriters) are unable to reach an agreement on the Placing Price by the Price Determination Date or such later date as may be agreed, or the Price Determination Agreement is not signed, the Placing will not become unconditional and will lapse. Prospective investors of the Placing Shares should be aware that the Placing Price to be determined on the Price Determination Date may be, but is currently not expected to be, lower than the indicative range of the Placing Price as stated in this prospectus.

If, the Joint Global Coordinators and the Joint Underwriters with the consent of our Company consider it appropriate (for instance, if the level of interest is below the indicative Placing Price range), the indicative Placing Price range may be reduced below that stated in this prospectus at any time prior to the Price Determination Date. In such a case, our Company shall, as soon as practicable following the decision to make such reduction, and in any event not later than 9:00 a.m. on the Price Determination Date publish an announcement on the reduction of the indicative Placing Price range on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.thelloy.com. The level of indication of interests in the Placing and the basis of allocations of the Placing Shares will be announced on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.thelloy.com at or before 9:00 a.m. on Thursday, 8 October 2015.

BASIS OF ALLOCATION

Allocation of the Placing Shares will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to acquire further Shares and/or hold or sell his/her/its Shares after the Listing. Such allocation is intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole. In particular, the Placing Shares will be allocated in accordance with Rule 11.23(8) of the GEM Listing Rules such that not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders. There will not be any preferential treatment in the allocation of the Placing Shares to any persons.

STRUCTURE AND CONDITIONS OF THE PLACING

Subject to prior written consent of the Stock Exchange, no allocations will be permitted to nominee companies unless the name of the ultimate beneficiary is disclosed. Details of the Placing will be announced in accordance with Rules 10.12(4), 16.08 and 16.16 of the GEM Listing Rules.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 9 October 2015. The Shares will be traded in board lot of 8,000 Shares each and are freely transferrable. The stock code for our Shares is 8122.

No temporary documents or evidence of title will be issued.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. 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 have been made for the Shares to be admitted into CCASS.

OFFER SIZE ADJUSTMENT OPTION

In connection with the Placing, our Company granted to the Joint Global Coordinators (for themselves and on behalf of the Joint Underwriters) the Offer Size Adjustment Option to cover over-allocations under the Placing (if any). Pursuant to the Offer Size Adjustment Option, our Company may be required to allot and issue, at the final Placing Price, up to an aggregate of 30,000,000 additional new Shares, representing 15% of the Placing Shares initially available under the Placing. The Offer Size Adjustment Option can only be exercised by the Joint Global Coordinators (for themselves and on behalf of the Joint Underwriters) prior to the Listing Date; otherwise it will lapse. The Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option will not be used for price stabilisation purpose and are not subject to the Securities and Futures (Price Stabilising) Rules of the SFO (Chapter 571W of the Laws of Hong Kong).

If the Offer Size Adjustment Option is exercised in full, the additional Placing Shares will represent approximately 3.61% of the enlarged issued share capital of our Company in issue following completion of the Capitalisation Issue, the Placing and the exercise of the Offer Size Adjustment Option but without taking into account any Shares which may be issued upon the exercise of any options that may be granted under the Share Option Scheme.

STRUCTURE AND CONDITIONS OF THE PLACING

The additional net proceeds that we would receive if the Offer Size Adjustment Option is exercised in full (assuming the Placing Price of HK\$0.35 per Share (being the mid-point of the indicative Placing Price range)) are estimated to be approximately HK\$10.2 million, which would be applied to the respective uses as disclosed in the section headed “Future Plans and Use of Proceeds — Use of Proceeds” on a pro-rata basis.

We will disclose in the allotment results announcement whether the Offer Size Adjustment Option is exercised.