

This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the prospectus dated 30 September 2015 (the “Prospectus”) issued by Thelloy Development Group Limited (the “Company”) for detailed information about the Company and the Placing described below before deciding whether or not to invest in the shares thereby being offered.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) take no responsibility for the contents of this announcement, 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 announcement.

Unless defined herein, terms in this announcement shall have the same meanings as those defined in the Prospectus.

Thelloy Development Group Limited

德萊建業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

**Number of Placing Shares : 200,000,000 Shares (comprising 170,000,000
New Shares and 30,000,000 Sale Shares)**

**Placing Price : HK\$0.325 per Placing Share, plus brokerage
of 1%, SFC transaction levy of 0.0027% and
Stock Exchange trading fee of 0.005%
(payable in full on application in Hong Kong
dollars and subject to refund)**

Nominal value : HK\$0.01 per Share

Board lot : 8,000 Shares each

Stock code : 8122

Sole Sponsor



Innovax Capital Limited

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Innovax Capital Limited



South China Securities Limited

ANNOUNCEMENT OF PLACING PRICE AND ALLOTMENT RESULTS

SUMMARY

- The Placing Price has been determined at HK\$0.325 per Placing Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.325 per Placing Share and 200,000,000 Shares comprising 170,000,000 new Shares and 30,000,000 Sale Shares offered by the Company and the Selling Shareholders, respectively, the amount of net proceeds from the Placing to be received by the Company (after deducting underwriting commissions and estimated total placing expenses paid or payable by the Company) is estimated to be approximately HK\$39.1 million. The amount of net proceeds from the Placing to be received by the Selling Shareholder (after deducting underwriting commissions and estimated total placing expenses paid or payable by the Selling Shareholder) is estimated to be approximately HK\$8.9 million. The Company intends to apply such net proceeds in accordance with the purposes set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.
- The initial 200,000,000 Placing Shares (comprising 170,000,000 New Shares and 30,000,000 Sale Shares) offered under the Placing have been slightly over-subscribed.
- As at the date of this announcement, the Offer Size Adjustment Option has not been exercised and has lapsed.
- A total of 200,000,000 Shares have been conditionally allocated to a total of 114 selected individual, professional and institutional investors.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or existing shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing.

- The Directors confirm that, immediately after completion of the Placing, the Company will comply with Rule 11.23(7) of the GEM Listing Rules that the public float of the Company will be at least 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be owned by the three largest public Shareholders as required under Rule 11.23(8) of the GEM Listing Rules.
- Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 9 October 2015. The Shares will be traded in board lots of 8,000 Shares each. The stock code of the Shares is 8122.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF NET PROCEEDS FROM THE PLACING

On Friday, 2 October 2015, the Placing Price has been determined at HK\$0.325 per Placing Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the Placing Price of HK\$0.325 per Placing Share and 200,000,000 Shares comprising 170,000,000 new Shares and 30,000,000 Sale Shares offered by the Company and the Selling Shareholder, respectively, the amount of net proceeds from the Placing to be received by the Company (after deducting underwriting commissions and estimated total placing expenses paid or payable by the Company) is estimated to be approximately HK\$39.1 million. The amount of net proceeds from the Placing to be received by the Selling Shareholder (after deducting underwriting commissions and estimated total placing expenses paid or payable by the Selling Shareholder) is estimated to be approximately HK\$8.9 million. The Company intends to apply such net proceeds in accordance with the purposes set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The Company intends to apply the net proceeds of the Placing for the purposes and in the amounts as set out below:

- approximately HK\$27.4 million or approximately 70% of the net proceeds will be used for further developing the Group’s building construction and RMAA business, including to finance the issue of surety bonds for future projects;
- approximately HK\$2.4 million or approximately 6% of the net proceeds will be used to employ additional staff and provide staff training in order to further strengthening the Group’s manpower;
- approximately HK\$2.7 million or approximately 7% of the net proceeds will be used to invest in BIM software and relevant staff training to improve the Group’s productivity;

- approximately HK\$2.7 million or approximately 7% of the net proceeds will be used to set up a “Design and Build” section to enable the Group to attract more business opportunities; and
- approximately HK\$3.9 million or approximately 10% of the net proceeds will be used for general working capital and general corporate purposes.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The initial 200,000,000 Placing Shares offered under the Placing have been slightly over-subscribed.

As at the date of this announcement, the Offer Size Adjustment Option has not been exercised and has lapsed.

A total of 200,000,000 Shares have been conditionally allocated to a total of 114 selected individual, professional and institutional investors.

RESULTS OF ALLOCATION UNDER THE PLACING

Pursuant to the Placing, a total of 200,000,000 Shares have been conditionally allocated to a total of 114 selected individual, professional and institutional investors. The distribution of the Placing Shares is set forth as below:

	Aggregate number of Placing Shares allocated	Aggregate percentage of the total number of Placing Shares allocated (i.e. 200,000,000 Placing Shares) (approximate)	Approximate percentage of shareholding to the enlarged issued share capital of the Company immediately after completion of the Placing (i.e. 800,000,000 Shares) (assuming the options that may be granted under the Share Option Scheme are not exercised) (approximate)
Top placee	33,400,000	16.70%	4.18%
Top 5 placees	120,968,000	60.48%	15.12%
Top 10 placees	167,080,000	83.54%	20.89%
Top 25 placees	198,840,000	99.42%	24.86%

Number of Placing Shares allocated	Number of Places
8,000 to 200,000	92
200,001 to 2,000,000	4
2,000,001 to 3,000,000	3
3,000,001 to 5,000,000	4
5,000,001 or above	<u>11</u>
Total:	<u><u>114</u></u>

The Directors confirm that, to the best of their knowledge and belief, all places under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or existing shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the places has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the places is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or existing shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee will, individually, be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing.

Immediately after completion of the Placing (without taking into account any Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme), the shareholding structure of the Company will be as follows:

	Number of Shares	Approximate percentage of shareholding in the Company
Cheers Mate ⁽¹⁾	600,000,000	75%
Public Shareholders	<u>200,000,000</u>	<u>25%</u>
Total	<u><u>800,000,000</u></u>	<u><u>100%</u></u>

⁽¹⁾ Cheers Mate is 100% owned by Mr. Lam Kin Wing Eddie

The Directors confirm that there will not be any new Substantial Shareholder of the Company immediately after completion of the Placing within the meaning of the GEM Listing Rules.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, the three largest public Shareholders shall not beneficially own more than 50% of the Shares in public hands at the time of Listing. The Directors confirm that, immediately after completion of the Placing, the Company will comply with Rule 11.23(7) of the GEM Listing Rules that the public float of the Company will be at least 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be owned by the three largest public Shareholders as required under Rule 11.23(8) of the GEM Listing Rules. The three largest public Shareholders will own approximately 44.33% of the Shares in public hands at the time of Listing.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company 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 on such 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.

No receipt will be issued for any application monies paid. The Company will not issue any temporary documents of title.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on Friday, 9 October 2015 for credit to the respective CCASS Participants' stock accounts or CCASS Investor Participants' stock accounts designated by the Joint Underwriters, the placees or their agents (as the case may be). Prospective investors should note that the Joint Global Coordinators (for themselves and on behalf of the Sole Sponsor and the Joint Underwriters) are entitled to terminate the Underwriting Agreement by notice in writing to the Company upon occurrence of any of the events set forth under the section headed "Underwriting — Underwriting arrangements and expenses — Grounds for termination" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. In the event that the Underwriting Agreement is terminated or does not become unconditional, all money received will be refunded to applicants of the Placing without interests and the Stock Exchange will be

notified immediately. Notice of the lapse of the Placing will be published by the Company on the website of the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.thelloy.com accordingly.

All share certificates will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date, which is expected to be on 9 October 2015.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 9 October 2015.

If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.thelloy.com. Shares will be traded in board lots of 8,000 Shares each. The stock code of the Shares is 8122.

By order of the Board
Thelloy Development Group Limited
Lam Kin Wing Eddie
Chairman

Hong Kong, 8 October 2015

As at the date of this announcement, the executive Directors are Mr. Lam Kin Wing Eddie and Mr. Shut Yu Hang; and the independent non-executive Directors are Mr. Tang Chi Wang, Mr. Wong Kwong On and Mr. Tse Ting Kwan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, (a) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, (b) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (c) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions which are fair and reasonable.

This announcement and a copy of the Prospectus will remain on the Stock Exchange's website at www.hkexnews.hk and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at www.thelloy.com.