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THELLOY DEVELOPMENT GROUP LIMITED

德萊建業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1546)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

On 16 August 2022, the Lender (a wholly-owned subsidiary of the Company), as lender, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide the Loan in favour of the Borrower in the amount of HK\$30,000,000 for a term of four months at an interest rate of 8% per annum.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio(s) in respect of the provision of the Loan exceed(s) 5% but all are less than 25%, the provision of the Loan constitutes a discloseable transaction for the Company and is subject to announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As the amount of the Loan granted to the Borrower exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the provision of the Loan is subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

On 16 August 2022, the Lender (a wholly-owned subsidiary of the Company) entered into the Loan Agreement with the Borrower, the details of which are as follows:

THE LOAN AGREEMENT

Date:	16 August 2022
Parties:	(1) the Lender, as lender (2) the Borrower
Loan amount:	HK\$30,000,000
Purpose:	the Loan shall be used by the Borrower for general working capital purposes
Interest rate:	8% per annum
Term:	four months commencing from the Loan drawdown date
Availability period:	The Loan shall be available for drawdown for five days commencing from the date of the Loan Agreement (both days inclusive).
Repayment:	The Borrower shall repay the interest on a monthly basis with the outstanding principal to be repaid at loan maturity.
Early repayment:	The Borrower shall be entitled to make early repayment of the outstanding principal together with all interest accrued thereon on any interest payment date provided that at least three business days' prior written notice has been given to the Lender.

Security:

- (i) a guarantee provided by the Guarantor for the repayment obligations of the Borrower under the Loan Agreement pursuant to a deed of guarantee dated 16 August 2022 executed by the Guarantor;
- (ii) a share mortgage dated 16 August 2022 entered into between the Guarantor and the Lender pursuant to which the Guarantor agrees to charge by way of first fixed mortgage, all issued shares in the Borrower in favour of the Lender; and
- (iii) a share mortgage dated 16 August 2022 entered into between the Borrower and the Lender pursuant to which the Borrower agrees to charge by way of first fixed mortgage, 51% of the issued share capital in the JV Company in favour of the Lender.

FUNDING OF THE LOAN

The Group will finance the Loan by its internal resources.

REASONS FOR AND BENEFIT OF THE PROVISION OF LOAN

The terms of the Loan Agreement, including the interest rate, were arrived at after arm's length negotiations between the Lender and the Borrower having taken into account the prevailing market interest rates and practices, and the tenure of the Loan. The Directors consider that the provision of the Loan will bring interest income to the Group and may improve returns to the Shareholders.

Based on the above, the Directors consider that the provision of the Loan are entered into on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY, THE LENDER, THE BORROWER AND THE GUARANTOR

The Company

The Company is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange. The principal business activity of the Company is investment holding.

The Group is principally engaged in providing building construction services, repair, maintenance, alteration and addition (RMAA) works services and design and build services in Hong Kong as a main contractor.

The Lender

The Lender is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The principal business activity of the Lender is investment holding.

The Borrower

The Borrower is incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Guarantor. The principal business activity of the Borrower is investment holding.

The Guarantor

The Guarantor is an individual owning the entire issued share capital of the Borrower. He is principally engaged in the business of property investment.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save for the investments in the JV Company by the Borrower, the Borrower and its ultimate beneficial owner, i.e. the Guarantor, are all third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

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As the amount of the Loan granted to the Borrower exceeds 8% under the assets ratio defined under Rule 14.07(1) of the Listing Rules, the provision of the Loan is subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Ocean Century Ventures Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by the Guarantor
“Company”	Thelloy Development Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the main board of the Stock Exchange (stock code: 1546)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Yeung Wan Yiu, the ultimate beneficial owner of the Borrower
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“JV Company”	Great Glory Developments Limited, a company established in the British Virgin Islands with limited liability which is owned as to 49% by the Group and 51% by the Borrower
“Lender”	Grandway Inc. Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 16 August 2022 entered into between the Lender and the Borrower in respect of the Loan
“Loan”	a term loan for the principal amount of HK\$30,000,000 provided by the Lender to the Borrower under the Loan Agreement
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By Order of the Board
Thelloy Development Group Limited
Lam Kin Wing Eddie
Chairman and Executive Director

Hong Kong, 16 August 2022

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