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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

HIGHLIGHTS

- The Group recorded total revenue for the Year of approximately HK$400.2 million, representing an increase of approximately 55.1% as compared to the Previous Year.
- Loss attributable to owners of the Company for the Year was approximately HK$51.4 million (Profit attributable to owners of the Company for the Previous Year: approximately HK$8.3 million).
- The Board does not recommend the payment of a final dividend for the Year.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Thelloy Development Group Limited (the "**Company**") is pleased to announce the annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2025 (the "**Year**") together with the comparative audited figures for the year ended 31 March 2024 (the "**Previous Year**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025	2024
	NOTES	***HK$'000***	*HK$'000*
Revenue	*3*	**400,168**	257,992
Direct costs		**(391,900)**	(227,763)
Gross profit		**8,268**	30,229
Other income	*4*	**2,107**	1,532
Impairment losses (recognised) reversed under expected credit loss model, net	*5*	**(183)**	142
Administrative expenses		**(34,824)**	(34,977)
Share of (losses) profits of joint ventures		**(19,531)**	16,375
Finance costs	*6*	**(7,436)**	(4,510)
(Loss) profit before tax	*7*	**(51,599)**	8,791
Income tax credit (expense)	*8*	**241**	(512)
(Loss) profit and total comprehensive (expense) income for the year		**(51,358)**	8,279
(Loss) earnings per share	*10*		
Basic (HK cents)		**(6.42)**	1.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	NOTES	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment		**89,698**	94,571
Right-of-use assets		**1,570**	2,890
Interests in joint ventures		**108,954**	119,793
Rental deposits		**93**	548
		200,315	217,802
Current assets			
Trade and other receivables	*11*	**59,597**	33,200
Contract assets		**95,320**	57,183
Amount due from a joint venture		**9,010**	9,012
Tax recoverable		**2,086**	1,564
Pledged bank deposits		**2,073**	2,025
Cash and cash equivalents		**31,381**	32,066
		199,467	135,050
Current liabilities			
Trade and other payables	*12*	**123,925**	104,105
Contract liabilities		**–**	3,054
Lease liabilities		**1,184**	2,185
Deferred income		**474**	421
Bank borrowings		**154,420**	71,000
		280,003	180,765
Net current liabilities		**(80,536)**	(45,715)

	NOTES	2025 HK$'000	2024 HK$'000
Total assets less current liabilities		**119,779**	172,087
Non-current liabilities			
Lease liabilities		**185**	635
Deferred tax liabilities		**271**	512
Deferred income		**1,003**	1,262
		1,459	2,409
Net assets		**118,320**	169,678
Capital and reserves			
Share capital	*13*	**8,000**	8,000
Reserves		**110,320**	161,678
Equity attributable to owners of the Company		**118,320**	169,678

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Share capital	Share premium	Other reserve	Retained earnings	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(note)		
At 1 April 2023	8,000	42,490	18,800	92,109	161,399
Profit and total comprehensive income for the year	–	–	–	8,279	8,279
At 31 March 2024	8,000	42,490	18,800	100,388	169,678
Loss and total comprehensive expense for the year	–	–	–	(51,358)	(51,358)
At 31 March 2025	8,000	42,490	18,800	49,030	118,320

Note: Other reserve represents the difference between the nominal value of the share capital of Techoy Construction Company Limited ("**Techoy Construction**") and that of the Company pursuant to group reorganisation in prior years.

1. GENERAL

Thelloy Development Group Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 28 May 2015 and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 9 October 2015. Its immediate and ultimate holding company is Cheers Mate Holding Limited, a company incorporated in the British Virgin Islands (the "**BVI**"). The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104. The principal place of business of the Company is 19/F, The Globe, 79 Wing Hong Street, Lai Chi Kok, Kowloon, Hong Kong.

The Company and its subsidiaries (collectively the "**Group**") are principally engaged in property construction services in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2A. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG ACCOUNTING STANDARDS

Amendments to Hong Kong Accounting Standards ("HKAS(s)") that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendment to HKAS 1	Classification of Liabilities as Current or non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendment to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to Hong Kong Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to Hong Kong Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to Hong Kong Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and measurement of Financial and Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 18	Sale or Contribution of Assets between an Investors and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to Hong Kong Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to Hong Kong Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to Hong Kong Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 *Presentation and Disclosure in Financial Statements* ("HKFRS 18")

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new Hong Kong Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

2B. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Going concern assessment

During the year ended 31 March 2025, the Group incurred a net loss of HK$51,358,000 and resulted a net operating cash outflow and net decrease in cash and cash equivalents of HK$63,833,000 and HK$685,000, respectively. As at 31 March 2025, the Group's current liabilities exceeded its current assets by HK$80,536,000, and the Group's aggregate bank borrowings amounted to HK$154,420,000, which were due for settlement within twelve months and were classified as current liabilities while the Group had cash and cash equivalents of HK$31,381,000.

In assessing the Group's ability to continue as a going concern and appropriateness of the use of going concern basis for the preparation of these consolidated financial statements, the Directors have prepared a cashflow projection for the Group covering a period of 18 months till 30 September 2026, the Directors have given careful consideration to the future liquidity, the financial position, and the available sources of financing of the Group in assessing the Group's ability to continue as a going concern:

- Subsequent to the end of the reporting period, the Group has successfully disposed of its entire interest in joint venture, Sky Glory Properties Limited and received a net consideration of HK$20,580,000.

- In June 2025, the Group has been awarded by the Buildings Department of the Government of the Hong Kong Special Administrative Region an extension of contract period of two of its existing term works contracts with an estimated remaining contract sum of approximately HK$593,000,000 in aggregate and which were due to expire in July 2025 to January 2027.

- In addition, the Group has available unutilised banking facilities of approximately HK$229,479,000 as at 31 March 2025 to support its daily operating expenses and the Directors had reasonable expectation that the banking facilities would be renewed on an annual basis. Despite there was a non-compliance of the gearing ratio of a bank borrowing with carrying amount of HK$20,000,000 as at 31 March 2025, the Group has fully settled the outstanding balance in accordance with the repayment schedule up to the date of approval of these consolidated financial statements. The Group will continue monitoring the utilisation of bank borrowings and ensuring the compliance with loan covenants.

However, uncertainties exist as to whether the banking facilities will continue to be available to the Group to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future for at least the next twelve months from the end of the reporting period. If the banking facilities could not be renewed, the Group would be unable to finance its operations or meet its financial obligations as and when they fall due in its ordinary course of business. The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

By taking into account the unutilised banking facilities available, the Directors are of the opinion that the Group will have sufficient resources to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

Should the Group be unable to renew its banking facilities, it might not be able to continue to operate as a going concern and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms, or to recognize a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Disaggregation of revenue

	2025	2024
	HK$'000	*HK$'000*
Recognised over time under HKFRS 15:		
Building construction	**369,495**	188,855
Repair, maintenance, alteration and addition ("**RMAA**") works	**30,102**	43,945
Design and build	**571**	25,192
Revenue from contracts with customers	**400,168**	257,992
Type of customers		
Government departments	**235,427**	164,640
Private customers	**164,741**	93,352
	400,168	257,992

Performance obligations for contracts with customers

The Group provides building construction, RMAA works and design and build services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the stage of completion of the contract using input method. The stage of completion is determined as the proportion of the costs incurred for the works (i.e. overhead costs, subcontracting costs, materials costs and direct staff costs incurred) performed to date relative to the estimated total costs to complete the satisfaction of these services to the extent that the amount can be measured reliably and its recovery is considered probable.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones based on surveyors' assessment are reached. A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones based on surveyors' assessment. The contract assets are transferred to trade receivables when the rights become unconditional. If the progress payment exceeds the revenue recognised to date under the input method, then the Group recognises a contract liability for the difference.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) and the expected timing of recognising revenue are as follows:

	2025	2024
	HK$'000	*HK$'000*
Within one year	**597,013**	470,190
More than one year but not more than two years	**213,235**	497,372
More than two years	**297,316**	192,682
	1,107,564	1,160,244

Segment information

For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group as a whole, which was prepared based on the same accounting policies of the Group. Accordingly, only entity-wide disclosures, major customers and geographical information are presented.

Geographical information

The Group's revenue are all derived from Hong Kong based on the location of services delivered. The Group's non-current assets (exclude interests in joint ventures and rental deposits) amounting to HK$91,268,000 (2024: HK$97,461,000) as at 31 March 2025 are all physically located in Hong Kong.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

	2025	2024
	HK$'000	*HK$'000*
Customer A	**161,738**	63,388
Customer B	**114,493**	35,709
Customer C	**88,980**	106,902

4. OTHER INCOME

	2025	2024
	HK$'000	*HK$'000*
Other income:		
– Bank interest income	**111**	107
– Rental income	**1,522**	994
– Government grants *(note)*	**474**	431
	2,107	1,532

Note: For the year ended 31 March 2025, government grants include subsidies from Construction Innovation and Technology Fund (CITF) of approximately HK$474,000 (2024: HK$421,000) for adoption of innovative constructive methods and new technology which is credited to income from deferred income. Besides, the government grants in the prior year included HK$10,000 received from CITF which was unconditional and directly credited to other income upon received.

5. IMPAIRMENT LOSSES RECOGNISED (REVERSED) UNDER EXPECTED CREDIT LOSS MODEL, NET

	2025	2024
	HK$'000	*HK$'000*
Impairment losses recognised (reversed) on:		
– trade receivables	**248**	2
– contract assets	**(65)**	(144)
	183	(142)

6. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings	**7,391**	4,435
Lease liabilities	**45**	75
	7,436	4,510

7. (LOSS) PROFIT BEFORE TAX

	2025	2024
	HK$'000	*HK$'000*
(Loss) profit before tax has been arrived at after charging:		
Direct costs *(note)*:		
Raw materials and consumables used	**59,208**	40,863
Subcontractor and other expenses	**272,575**	147,420
	331,783	188,283
Auditor's remuneration	**1,000**	1,100
Depreciation of property, plant and equipment	**5,676**	4,857
Depreciation of right-of-use assets	**2,415**	2,784
Directors' remuneration	**6,574**	6,650
Staff costs:		
Salaries and allowances	**70,873**	50,171
Contributions to retirement benefits schemes	**2,139**	1,526
Total staff costs	**79,586**	58,347

Note: Direct costs includes of approximately HK$60,117,000 (2024: HK$39,480,000) relating to staff costs, which is also included in the staff costs separately disclosed above.

8. INCOME TAX CREDIT (EXPENSE)

	2025	2024
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**–**	–
Deferred tax:		
(Credit) charge for the year	**(241)**	512
	(241)	512

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 March 2025 and 2024 respectively, nor has any dividend been proposed since the end of the reporting period.

10. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to owners of the Company is based on the following data:

(Loss) earnings

	2025	2024
	HK$'000	*HK$'000*
(Loss) earnings for the purpose of basic (loss) earnings per share (loss) profit for the year attributable to owners of the Company	**(51,358)**	8,279

Number of shares

	2025	2024
	'000	*'000*
Number of ordinary shares for the purpose of calculating basic (loss) earnings per share	**800,000**	800,000

No diluted (loss) earnings per share is presented as there is no potential ordinary share in issue for both years.

11. TRADE AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**54,556**	30,948
Less: Allowance for credit losses	**(336)**	(88)
	54,220	30,860
Rental deposits	**765**	1,118
Other deposits	**2,605**	1,011
Other receivables	**14**	–
Prepayments	**604**	759
	58,208	33,748
Less: Rental deposits (classified as non-current assets) *(note i)*	**(93)**	(548)
	58,115	33,200
Loan receivable from a related company *(note ii)*	**1,482**	–
	59,597	33,200

Notes:

(i) These balances represented rental deposits placed by the Group in connection with its rented premises. Therefore, these balances are classified as non-current (2024: non-current).

(ii) The Group granted a loan principal of approximately HK$1,482,000 to a related company, which is a shareholder of Great Glory Developments Limited, carried at fixed interest of 12% per annum, secured by a personal guarantee and repayable on 30 September 2025. Therefore, the loan receivable is classified as current assets at 31 March 2025.

The credit period granted by the Group to its customers is 30 days from the date of invoices on progress payments of contract work. An ageing analysis of trade receivables, net of allowance of credit losses, is presented based on the invoice date at the end of the reporting period.

	2025	2024
	HK$'000	*HK$'000*
0 – 30 days	**54,220**	30,860

As at 31 March 2025 and 2024, there are no trade receivables balance which are past due.

12. TRADE AND OTHER PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**76,745**	65,649
Other payables	**5,244**	5,244
Accrued charges	**15,145**	7,221
Retention payables *(note i)*	**25,800**	18,004
Deposits received from suppliers	**65**	79
Deposits received for rental	**926**	1,002
Deposits received from customer *(note ii)*	**–**	6,906
	123,925	104,105

Notes:

(i) Retention payables to sub-contractors of contract work will be released by the Group after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from one year from the date of practical completion of the respective contraction contracts.

(ii) Deposits received from customer represented the advance payment received from HKSAR government on the ongoing construction contract, which will be repaid in six months.

The credit period granted to the Group on subcontracting of contract work services is 30 to 45 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
0 – 30 days	**66,091**	52,867
31 – 60 days	**10,619**	11,582
61 – 90 days	**35**	1,200
	76,745	65,649

13. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024 and 31 March 2025	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2023, 31 March 2024 and 31 March 2025	800,000,000	8,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Construction

Hong Kong's economy experienced moderate growth during the Year, supported by rising exports of goods and services and a gradual recovery in investment spending. However, private consumption remained subdued amid weak global demand. Geopolitical tensions and elevated interest rates further weakened sentiment in the property market, leading to continued declines in private construction activity as developers adopted a cautious approach. Public works projects remained the primary growth driver, with sustained government investment in public housing and infrastructure, though intense tender competition is anticipated.

The construction sector continues to face persistent labor shortages, an aging workforce, and declining productivity, altogether contributing to rising wage costs. The composite labor wage index published by Census and Statistics Department of the Hong Kong Government increased by 6.1% year-on-year as of February 2025. Volatile material prices, exacerbated by geopolitical instability, have further strained cost control and planning. These escalating expenses remain major hurdles to industry expansion.

Contractors at the same time face heightened financial strain due to fierce competition and prolonged high interest rates. Delayed payments, a chronic issue, worsened across the supply chain, particularly for cash-strapped subcontractors, leading to project delays and wage arrears. Additionally, tightening credit conditions have made securing financing more difficult for contractors, exacerbating cash flow challenges during project execution.

Meanwhile, we see a sustained flow of construction works from the public sector in Hong Kong as government initiatives, including the Northern Metropolis Development, prioritization of public housing supply and increased fiscal spending on infrastructure, are expected to bolster the construction sector in the coming years. With our strong track record and expertise in public works, our Group is well-positioned to capitalise on these opportunities and strengthen our market competitiveness.

The Group achieved healthy revenue growth during the Year, recording a turnover of HK$400.2 million, supported by government and government-funded capital works projects. However, profitability declined primarily due to: (a) a decrease in the fair value of investment property held by a joint venture; (b) lower gross profit being recognised for construction projects during the Year, primarily related to certain projects awarded in 2022 and 2023 which carried limited tender margins amid the prevailing intense market competition; (c) increase in staff and labour costs due to prolonged project duration without prolongation cost; (d) shortfall in the anticipated contract price fluctuation compensation for the public projects; and (e) increase in finance costs due to tightened credit conditions.

During the Year, we successfully delivered the Public Vehicle Park project in Sheung Shui for the Housing Authority, demonstrating our execution capabilities in public sector works. Leveraging our established expertise in government projects and revitalization works, we were awarded a new contract for redecoration and repair works at the Hong Kong Observatory Main Building, enhancing our project pipeline. Also, subsequent to the end of the reporting period, in June 2025, the Group has been awarded an extension of contract period to two of its existing term works contracts that are due to expire in July 2025 with the HKSAR Buildings Department, with an estimated remaining contract sum of HK$593 million. Moving forward, we will place greater emphasis on renovation, maintenance, and alteration projects to address the increasing needs of Hong Kong's aging infrastructure. Concurrently, we are pursuing inclusion in approved contractor lists for government and institutional works to broaden our business opportunities. These initiatives will reinforce the Group's operational stability and create a foundation for sustainable growth.

To position ourselves for future opportunities and support the transition to "Construction 2.0," the Group has continued to strengthen its capabilities in MiC design-and-build, broaden the use of BIM technology, and adopt laser scanning to enhance productivity. With safety as a core value, the Group has also implemented artificial intelligence (AI) and the Smart Site Safety System (4S) for real-time site monitoring, enabling early detection of safety risks and helping to reduce accidents.

We are dedicated to implementing energy-efficient practices and making steady progress toward our waste and emissions reduction goals. Our ongoing efforts have been recognised with the Outperformer Award under the ESG Recognition Scheme by the Hong Kong Construction Association, as well as our designation as a Hong Kong Green Organization. In addition, we are committed to creating long-term value for the community by actively engaging in a variety of charitable activities. The Group collaborated with Yang Memorial Methodist Social Service to visit the elderly during festive seasons, participated in the Lifewire Run 2024, and has been honored with the 5 Year Plus Caring Company Award.

Property

The Group is also involved in the property business through its interests in Great Glory Developments Limited (the "**Great Glory**", which is owed as to 49% by the Group), which can achieve synergy with the Group's existing business in building construction. The flagship project under the Great Glory, through its interest in World Partners Limited ("**JV Subsidiary**") is to redevelop an industrial building in Tsuen Wan. A town planning approval for redevelopment into commercial use has been obtained earlier, but in light of the current market conditions, the JV Subsidiary is exploring alternative uses to maximise its market potential. Great Glory also has interests in various land lots in Yuen Long through its interest in Sky Glory Properties Limited, where added value was created by obtaining planning approval for senior living development in September 2023. Subsequent to the end of the reporting period, the interests in the land lots were recently sold in May 2025 by Great Glory.

Outlook

Looking forward, uncertainties surrounding geopolitical tensions, trade protectionism and local conflicts are expected to continue disrupting supply chains and causing market volatility. The slowdown in interest rate cuts and weak demand will present challenges for local businesses and asset markets. Consequently, on-going constraints in the property market are likely to dampen private-sector construction activity in Hong Kong, with public sector projects remaining the main driver of growth in the near-term construction industry. However, competition for tender prices is expected to intensify, adding to the existing challenges of labor shortages, rising labor costs, and fluctuating material prices. Despite these obstacles, the government's strategic focus on public housing and infrastructure projects, such as the Northern Metropolis Development, is expected to support the construction industry in the coming years. Additionally, fiscal spending by the government aimed at stimulating the economy will benefit the construction sector. Our Group, equipped with the necessary licenses and expertise in public works, is confident in seizing significant business opportunities from public capital projects and enhancing our competitive position in the market.

Our top priorities for the upcoming year will be on securing financial stability through disciplined fiscal management and streamlining operations to restore profitability. We will also (i) actively adopt innovative technologies to modernise construction processes, (ii) minimise subcontracting layers to reduce project disruptions and save costs, and (iii) expand business opportunities by joining approved contractors lists and exploring more fitting-out and maintenance projects. These strategies will strengthen the Group's operational resilience and position us for sustainable growth.

FINANCIAL REVIEW

Revenue

During the Year, revenue of the Group increased from approximately HK$258.0 million for the Previous Year to approximately HK$400.2 million, representing an increase of approximately 55.1%. The increase was mainly attributable to the combined effect of (i) the increase in revenue from the building construction services from approximately HK$188.9 million for the Previous Year to approximately HK$369.5 million for the Year, representing an increase of approximately 95.6%; (ii) a decrease in revenue from design and build services from approximately HK$25.2 million for the Previous Year to approximately HK$0.57 million for the Year, representing a decrease of approximately 97.7%; and (iii) a decrease in revenue from RMAA services from approximately HK$43.9 million for the Previous Year to approximately HK$30.1 million for the Year, representing a decrease of approximately 31.4%. The significant increase in revenue from building construction services was mainly due to a project completed during the Year while the drop in revenue from design and build services and RMAA services are due to the completion of several projects on hand during the Year.

Direct Costs

The Group's direct costs increased from approximately HK$227.8 million for the Previous Year to approximately HK$391.9 million for the Year, representing an increase of approximately 72.0% as compared to the Previous Year. Such increase was primarily due to the increase in revenue, raw materials, subcontractor and direct staff costs during the Year.

Gross Profit and Gross Profit Margin

The Group's gross profit amounted to approximately HK$8.3 million and HK$30.2 million for the Year and the Previous Year respectively, representing a decrease of approximately 72.5%. The decrease was mainly due to the increase in direct costs as discussed above.

The overall gross profit margin decreased from approximately 11.7% for the Previous Year to approximately 2.1% for the Year. A lower margin due to certain projects awarded in 2022 and 2023 which carried limited tender margins amid the prevailing intense market competition during the Year.

Other Income and Other Losses

During the Year, the Group's other income mainly represented bank interest income, rental income and government grants, which increased by approximately HK$0.6 million from approximately HK$1.5 million for the Previous Year to approximately HK$2.1 million for the Year, representing an increase of approximately 40.0%. This was mainly attributable to an increase in the rental income from mini-storage services during the Year.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK$34.8 million and HK$35.0 million for the Year and the Previous Year respectively, representing a decrease of approximately 0.6%, which remained stable as compared to the Previous Year.

Finance Costs

For the Year and the Previous Year, the Group's finance costs amounted to approximately HK$7.4 million and HK$4.5 million respectively, representing an increase of approximately 64.4%. The increase in finance costs was mainly due to the rise in interest rate and bank borrowings during the Year.

Income Tax Credit (Expense)

For the Year an income tax credit of HK$0.2 million was recorded for the Group as the Group sustained of a taxation loss (Previous Year: income tax expense of HK$0.5 million).

(Loss)/Profit and Total Comprehensive (Expense) Income for the Year

The Group incurred a loss and total comprehensive expense of approximately HK$51.4 million for the Year, as compared to a profit and total comprehensive income of HK$8.3 million for the Previous Year. Such turnaround of financial performance was mainly due to (i) the recognition of share of losses of joint ventures; (ii) a lower overall gross profit from certain construction projects during the Year, primarily related to projects awarded in 2022 and 2023; and (iii) an increase in finance costs driven by higher interest rate and addition of bank borrowings for the Year. Additionally, the Group experienced a lower margin for certain projects as it faced fierce market competition during the Year, as well as an increase in staff cost and labour cost due to extended project duration.

Dividends

The Board does not recommend the payment of a final dividend for the Year (2024: Nil).

Liquidity and Financial Resources

The Group maintained a healthy financial position. As at 31 March 2025, the Group had bank balances and cash (including pledged bank deposits) of approximately HK$33.5 million (2024: approximately HK$34.1 million) and the current ratio was approximately 0.71 (2024: approximately 0.75). As at 31 March 2025, bank borrowings of HK$154.4 million (2024: HK$71.0 million) were secured by the Group's pledged bank deposits and properties, repayable within one year, borne floating interest rate at Hong Kong Interbank Offered Rate plus a spread of range from 1.35% to 2.5% (2024: 1.35% to 1.75%) with an effective rate of 5.96% (2024: 6.39%) per annum and denominated in Hong Kong dollars.

Gearing Ratio

The gearing ratio of the Group as at 31 March 2025 was approximately 131.7% (2024: 43.5%). The gearing ratio is calculated as total borrowings and lease liabilities divided by total equity as at the end of the reporting period.

The increase in gearing ratio was due to increase in bank borrowings.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Pledge of Assets

As at 31 March 2025, the Group had pledged bank deposits of approximately HK$2.1 million (2024: approximately HK$2.0 million), where all properties with carrying amount of approximately HK$74.5 million (2024: approximately HK$77.1 million) have been pledged to secure the banking facilities granted to the Group.

Capital Structure

There has been no change in capital structure of the Company during the Year. The capital of the Company comprises ordinary shares ("**Shares**") and other reserves.

Other Commitment

On 5 March 2021, in order to finance the land acquisition plan of Great Glory, the Group agreed to provide the additional capital contribution in the aggregate amount of HK$188,650,000 to Great Glory and such contributions shall be payable upon request of the Great Glory from time to time. As at 31 March 2025, the outstanding commitment was HK$77,632,000 (2024: HK$86,325,000).

Human Resources Management

As at 31 March 2025, the Group had a total of 164 employees (2024: 133 employees). To ensure that the Group can attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed on a regular basis. The total staff costs (including directors' remuneration) incurred for the Year were approximately HK$79.6 million (2024: HK$58.3 million). In addition, discretionary bonus was granted to eligible employees by reference to the Group's operating results and employees' individual performance. During the Year, the Group also sponsored staff to attend seminars and training courses for professional development.

Foreign Currency Risk

The Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. During the Year, there was no material impact on the Group arising from the fluctuation in the foreign exchange rates between the currencies. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the Year.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

As at 31 March 2025, the Company held a significant investment, with a value of over 5% of the Company's total assets as at 31 March 2025, in Great Glory. The Group's total investment in Great Glory is HK$188,650,000, and the amount provided up to 31 March 2025 was approximately HK$112,500,000. As at 31 March 2025, the Group owned 49 shares in Great Glory, representing 49% equity interests in Great Glory with a carrying amount of the Group's interests in Great Glory of approximately HK$108,954,000, representing approximately 27.3% of the total assets of the Company as at 31 March 2025. No market value was available for this investment as at 31 March 2025.

Great Glory is a company established in the British Virgin Islands with limited liability and mainly carries on the business of property investment and development in Hong Kong.

Please refer to the section headed “Management Discussion and Analysis – Business Review and Outlook – Property” above for further details of the progress of the property project under Great Glory. The Board considers that the investments in Great Glory can expand the Group’s business interests in Hong Kong’s property market and can achieve synergy with the Group’s existing business in building construction.

Save as disclosed above, there were no other significant investment held, material acquisition and disposal of subsidiaries, associated companies or joint ventures by the Group during the Year.

Future Plans for Materials Investments and Capital Assets

The Group does not have any plans for material investments and capital assets acquisitions for the coming 12 months.

Performance Guarantees

As at 31 March 2025, performance guarantees of approximately HK$14.1 million (2024: HK$14.1 million) were issued by certain banks in favour of the Group’s customers as security for the observance of the Group’s obligations under various contracts entered into between the Group and its customers.

As at 31 March 2025, a performance guarantee of approximately HK$0.9 million (2024: HK$0.9 million) was issued by a bank in favour of the Group’s landlord as security for a premise leased by the Group.

Save as disclosed, the Group had no other material performance guarantees at the end of the reporting period.

SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was conditionally approved by the Company pursuant to the written resolutions of the then sole shareholder of the Company on 22 September 2015. The Share Option Scheme remained valid and effective following the transfer of listing of its shares from GEM to the Main Board of the Stock Exchange on 26 October 2017 and will be implemented in full compliance with the requirements under Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption.

AUDIT COMMITTEE

The Company has set up an audit committee (the "**Audit Committee**") on 22 September 2015 with terms of reference as revised by the Board with effect from 24 January 2019. The primary duties of the Audit Committee are to, inter alia, review relationship with the Company's external auditors, review the Company's financial information, oversee the Company's financial reporting system and internal control procedures and oversee the Company's connected transactions. The Audit Committee comprises all three INEDs, namely Mr. Tse Ting Kwan, who is the chairman of the Audit Committee, Mr. Tang Chi Wang and Mr. Wong Kwong On. The consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Listing Rules and legal requirements, and adequate disclosures have been made.

SUBSEQUENT EVENT

Subsequent to the year ended 31 March 2025, Great Glory entered into a sale and purchase agreement with an independent third party to sell its entire equity interest in Profit Apex Developments Limited, a company which beneficially owned the entire equity interest in Sky Glory Properties Limited, a company which is incorporated in Hong Kong and held a piece of land in Yuen Long, Hong Kong, at a consideration of HK$42,000,000. The disposal was completed on 15 May 2025 and the Group received the consideration attributable to it of HK$20,580,000, which is proportional to its shareholding interest in Great Glory, representing 49% of the total consideration received by Great Glory.

Save as disclosed above, the Group had no material event subsequent to the end of the Year and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company's corporate governance code are based on the principles and code provisions of the Corporate Governance Code (the "**CG Code**") set out in Part 2 of Appendix C1 to the Listing Rules. The Company is committed to ensuring a quality board and transparency and accountability to shareholders. The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Lam Kin Wing Eddie ("**Mr. Lam**") serves as the Chairman and also acts as the Chief Executive, which constitutes a deviation from the code provision C.2.1 of the CG Code.

The Board is of the view that vesting both roles in Mr. Lam will allow for more effective planning and execution of business strategies. The Board has a total of seven Directors and four of them are Independent Non-Executive Directors ("**INED(s)**") who are qualified professionals and/or experienced individuals. As all major decisions of the Board are made in consultation with all the members of the Board which meet on a regularly quarterly basis to review the operations of the Group, and shall be approved by majority approval of the Board, with the four INEDs on the Board scrutinising important decisions and offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

The Company applied the principles and complied with all applicable code provisions in the CG Code during the Year, save for code provision C.2.1 of the CG Code.

The Board has reserved for its decision and consideration issues in relation to (i) formulating the strategic objectives of the Group; (ii) considering and deciding the Group's significant operational and financial matters, including but not limited to substantial mergers and acquisitions and disposals; (iii) overseeing the Group's corporate governance practices; (iv) ensuring a risk management control system in place; (v) directing and monitoring senior management in pursuit of the Group's strategic objectives; and (vi) determining the remuneration packages of all Directors and the Group's senior management, including benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment. Implementation and execution of Board policies and strategies and the daily administrative matters are delegated to the respective Board committees and the management team of the Company.

The Board conducts at least four regular Board meetings a year and additional meetings will be held or resolutions in writing signed by all Directors in lieu of a meeting will be arranged as and when required. If a substantial shareholder of the Company or a Director has a conflict of interest in a transaction which the Board determines to be material, it will be considered and dealt with by the Board at a duly convened Board meeting with the presence of the INEDs without material interest in that transaction. Comprehensive information on matters to be discussed at the Board meeting will be supplied to the Directors in a timely manner to facilitate discussion and decision-making.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares of the Company (including sale of treasury shares) during the Year. As at 31 March 2025, no treasury shares were held by the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as code of conduct governing Directors' securities transaction. In response to the specific enquiry made by the Company of the Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

SCOPE OF WORK OF MESSRS DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board on 26 June 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's audited consolidated financial statements for the year ended 31 March 2025:

Opinion

We have audited the consolidated financial statements of Thelloy Development Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 3.1 to the consolidated financial statements, which indicates that during the year ended 31 March 2025, the Group incurred a net loss of HK$51,358,000 and resulted a net operating cash outflow and net decrease in cash and cash equivalents of HK$63,833,000 and HK$685,000, respectively. As at 31 March 2025, the Group's current liabilities exceeded its current assets by HK$80,536,000 and the Group's aggregate bank borrowings amounted to HK$154,420,000, which were due for settlement within twelve months and were classified as current liabilities while the Group had cash and cash equivalents of HK$31,381,000.

The Group's ability to continue as a going concern depends on its ability to maintain minimal cash outflows from operations and sufficient financing resources to meet its financial obligations as and when they fall due. The Group is actively improving the liquidity and cashflow by continue monitoring the utilisation of bank borrowings and ensuring the compliance with loan covenants, with details as described in note 3.1 to the consolidated financial statements, in order to ensure that the Group has sufficient financial resources to finance its operations and to meet its financial obligations as and when they fall due at least twelve months from the date of approval of the consolidated financial statements.

The Directors have taken into account the unutilised banking facilities available to meet the Group's operating and financing needs and are of the opinion that sufficient financial resources will be available to finance the Group's operations and to meet the Group's financial obligations as and when they fall due at least twelve months from the date of approval of the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern. However, these conditions, along with other matters as set forth in note 3.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The aforesaid "note 3.1 to the consolidated financial statements" are disclosed as note 2B of this Results Announcement.

PROPOSED AMENDMENTS TO THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the existing memorandum and articles of association of the Company (the "**Memorandum and Articles of Association**") in order to, among other things, (i) bring the existing Memorandum and Articles of Association in line with amendments to the Listing Rules in relation to (i) the expanded paperless regime and electronic dissemination of corporate communications by listed issuers; (ii) for general meetings to be held by hybrid/virtual means; and (iii) incorporate certain housekeeping amendments (collectively, the "**Amendments**").

Details of the proposed Amendments will be set out in the circular to be despatched to the shareholders of the Company (the "**Shareholders**") in due course. The proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the 2025 AGM. A circular containing, inter alia, particulars relating to the proposed Amendments together with a notice of the 2025 AGM will be despatched to the Shareholders in due course.

2025 ANNUAL GENERAL MEETING ("2025 AGM")

The 2025 AGM will be held on Monday, 25 August 2025 at 11:00 a.m. and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the 2025 AGM to be held on Monday, 25 August 2025, the register of members of the Company will be closed from Wednesday, 20 August 2025 to Monday, 25 August 2025, both days inclusive, during which no transfer of shares will be effected. In order to be eligible to attend and vote at the 2025 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 19 August 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.thelloy.com). The annual report of the Company for the Year will be dispatched to the Shareholders upon request and will be available for viewing on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 26 June 2025

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 four independent non-executive Directors namely Mr. Tang Chi Wang, Mr. Tse Ting Kwan, Mr. Wong Kwong On and Ms. Yeung Cheuk Chi Vivian.