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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)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO (1) THE MUTUAL MASTER SERVICE AGREEMENT; AND (2) THE COOPERATION FRAMEWORK AGREEMENT

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
泓博資本有限公司

MUTUAL MASTER SERVICE AGREEMENT

The Board is pleased to announce that on 12 June 2026 (after trading hours), the Company entered into the Mutual Master Service Agreement with Fortune Peace, pursuant to which (i) the Group has conditionally agreed to provide the Group Services to the FP Group from time to time for specific project(s) undertaken by the FP Group in accordance with the requirements of such project(s), and (ii) the FP Group has conditionally agreed to provide the FP Group Services to the Group from time to time for specific project(s) undertaken by the Group in accordance with the requirements of such project(s).

COOPERATION FRAMEWORK AGREEMENT

The Board is also pleased to announce that on 12 June 2026 (after trading hours), the Company entered into the Cooperation Framework Agreement with Fortune Peace, pursuant to which the Group and the FP Group have conditionally agreed to, as joint contractors without the establishment of any separate legal entity, jointly (i) participate in the Process(es) and (ii) in the event of successful award of the Construction Contract(s), enter into and perform the Construction Contract(s).

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, (i) Fortune Peace is ultimately beneficially owned as to 60% by Mr. Ng and his family, 20% by Mr. Choi and 20% by Mr. Soong; and (ii) World Nexus, being the controlling Shareholder, is ultimately beneficially owned as to 60% by Mr. Ng, 20% by Mr. Choi and 20% by Mr. Soong. In addition, each of Mr. Ng, Mr. Choi and Mr. Soong is the father of Mr. Ng JY, Mr. Choi SYD and Ms. Soong WS, being the executive Directors, respectively. As such, Fortune Peace is a connected person of the Company under the Listing Rules, and the entering into of the Mutual Master Service Agreement, the Cooperation Framework Agreement and the respective transactions contemplated thereunder constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

Save for Mr. Ng JY, Mr. Choi SYD and Ms. Soong WS, who have abstained from voting on the relevant resolutions of the Board, none of the Directors has material interest in the Mutual Master Service Agreement, the Cooperation Framework Agreement and the respective transactions contemplated thereunder and is required to abstain from voting on the relevant resolutions of the Board.

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Group Fee Annual Caps is more than 5% and the annual consideration is expected to exceed HK\$10,000,000, the provision of Group Services by the Group to the FP Group under the Mutual Master Service Agreement is subject to reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the FP Group Fee Annual Caps is more than 5% and the annual consideration is expected to exceed HK\$10,000,000, the provision of FP Group Services by the FP Group to the Group under the Mutual Master Service Agreement is subject to reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Cooperation Annual Caps is more than 5% and the annual consideration is expected to exceed HK\$10,000,000, the transactions contemplated under the Cooperation Framework Agreement are subject to reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the Mutual Master Service Agreement (including the Group Fee Annual Caps and the FP Group Fee Annual Caps), the Cooperation Framework Agreement (including the Cooperation Annual Caps) and the respective transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and as to how to vote, taking into account the recommendation of the Independent Financial Adviser. The Company has appointed Rainbow Capital as its Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held at which the Independent Shareholders will consider and, if thought fit, approve the Mutual Master Service Agreement (including the Group Fee Annual Caps and the FP Group Fee Annual Caps), the Cooperation Framework Agreement (including the Cooperation Annual Caps) and the respective transactions contemplated thereunder.

A circular including, among other things, (i) a letter from the Board containing further details of the Mutual Master Service Agreement and the Cooperation Framework Agreement; (ii) a letter from the Independent Board Committee; and (iii) a letter from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; together with a notice convening the EGM, are expected to be despatched to the Shareholders on or before 7 July 2026.

BACKGROUND

The Board is pleased to announce that on 12 June 2026 (after trading hours), the Company entered into the Mutual Master Service Agreement with Fortune Peace, pursuant to which (i) the Group has conditionally agreed to provide the Group Services to the FP Group from time to time for specific project(s) undertaken by the FP Group in accordance with the requirements of such project(s), and (ii) the FP Group has conditionally agreed to provide the FP Group Services to the Group from time to time for specific project(s) undertaken by the Group in accordance with the requirements of such project(s).

The Board is also pleased to announce that on 12 June 2026 (after trading hours), the Company entered into the Cooperation Framework Agreement with Fortune Peace, pursuant to which the Group and the FP Group have conditionally agreed to, as joint contractors without the establishment of any separate legal entity, jointly (i) participate in the Process(es) and (ii) in the event of successful award of the Construction Contract(s), enter into and perform the Construction Contract(s).

MUTUAL MASTER SERVICE AGREEMENT

The principal terms of the Mutual Master Service Agreement are as follows:

Subject matter: Subject to the entering into of the Service Subcontract(s) between the relevant member(s) of the Group and the relevant member(s) of the FP Group after arm's length negotiations,

- (i) Fortune Peace has agreed to engage any member(s) of the Group for the provision of the Group Services to any member(s) of the FP Group during the term of the Mutual Master Service Agreement from time to time for specific project(s) undertaken by any member(s) of the FP Group in accordance with the requirements of such project(s); and
- (ii) the Company has agreed to engage any member(s) of the FP Group for the provision of the FP Group Services to any member(s) of the Group during the term of the Mutual Master Service Agreement from time to time for specific project(s) undertaken by any member(s) of the Group in accordance with the requirements of such project(s).

Each of Fortune Peace and the Company shall have the absolute discretion to determine whether to provide any FP Group Services or Group Services (as the case may be) and the Mutual Master Service Agreement shall not restrict or limit each of the Group and the FP Group to provide similar services to any third parties.

Condition precedent:

The Mutual Master Service Agreement shall be conditional upon the Independent Shareholders' approval in respect of the Mutual Master Service Agreement (including the Group Fee Annual Caps and the FP Group Fee Annual Caps) having been obtained on or before 11 September 2026 (or such later date as the parties may agree in writing).

If such condition shall not be so satisfied, all obligations of each party shall cease and determine and none of the parties shall have any claim against the other in relation thereto (save in respect of any antecedent breach of any obligation under the Mutual Master Service Agreement).

Term:

Subject to the fulfilment of the above condition precedent, the period shall commence from the date on which the Mutual Master Service Agreement becomes unconditional and end on 31 March 2029, or such earlier date on which the Mutual Master Service Agreement shall be terminated in accordance with the terms thereof (both dates inclusive).

Annual caps:

The annual aggregate monetary value of the Group Fee to be charged by the Group:

- (i) for the period commencing from the Commencement Date and ending 31 March 2027, shall not be more than HK\$230,000,000;
- (ii) for the financial year ending 31 March 2028, shall not be more than HK\$300,000,000; and
- (iii) for the financial year ending 31 March 2029, shall not be more than HK\$390,000,000

(collectively, “**Group Fee Annual Caps**”).

The annual aggregate monetary value of the FP Group Fee to be charged by the FP Group:

- (i) for the period commencing from the Commencement Date and ending 31 March 2027, shall not be more than HK\$22,000,000;
- (ii) for the financial year ending 31 March 2028, shall not be more than HK\$29,000,000; and
- (iii) for the financial year ending 31 March 2029, shall not be more than HK\$37,000,000

(collectively, “**FP Group Fee Annual Caps**”).

Payment terms:

The specific payment terms (including time and method of payment) for the provision of the Group Services by the Group to the FP Group and FP Group Services by the FP Group to the Group shall be agreed by the parties in the Service Subcontract(s) to be entered into by them, with reference to the payment terms of similar services in the market and the payment terms offered by or provided to independent third parties.

Pricing policy:

The actual Group Fee and FP Group Fee to be charged pursuant to the Group Fee Annual Caps and the FP Group Fee Annual Caps, respectively, shall be subject to further arm's length negotiations between the relevant parties to the Service Subcontract(s) and shall be set out in the Service Subcontract(s), provided that:

- (i) in the case of the Group Fee, such Group Fee shall be at a reasonable commercial rate equivalent to (or more favourable to the Group than) the fees charged by the Group when providing similar Group Services to independent third parties in the ordinary and usual course of business and on normal commercial terms;
- (ii) in the case of the FP Group Fee, such FP Group Fee shall be at a reasonable commercial rate equivalent to (or more favourable to the Group than) the fees paid by the Group when receiving similar FP Group Services from independent third parties in the ordinary and usual course of business and on normal commercial terms;

- (iii) such Group Fee shall be determined with reference to the following factors, including but not limited to:
 - (a) prevailing market prices (i.e. prices at which independent third parties in the same region provide the same or similar services on normal commercial terms in the ordinary course of business in respect of comparable projects); and
 - (b) various aspects of the projects, such as project scale, construction period, technical difficulties and risk factors; and
- (iv) such FP Group Fee shall be the actual costs plus a premium of not more than 3% of the actual costs. The actual costs include all costs incurred in connection with the FP Group Services provided, such as labour, materials, equipment and project management.

Basis of determining the Group Fee Annual Caps and FP Group Fee Annual Caps

The Group Fee Annual Caps are determined taking into account the following factors, including but not limited to, (i) number of existing ongoing construction projects held by the FP Group (including residential construction projects in Hong Kong); (ii) number of new construction projects expected to be held by the FP Group; (iii) the anticipated fee scale for the Group Services; (iv) potential business growth of the Group and the FP Group; and (v) the FP Group's estimated future demand for the Group Services.

The FP Group Fee Annual Caps are determined taking into account the following factors, including but not limited to, (i) number of existing ongoing construction projects held by the Group (including recreational and educational construction projects in Hong Kong); (ii) number of new construction projects expected to be held by the Group; (iii) the expected costs incurred in connection with the FP Group Services, (iv) potential business growth of the Group and the FP Group; and (v) the Group's estimated future demand for the FP Group Services.

The above annual caps are determined on the principal assumption that, for the term of the Mutual Master Service Agreement, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group and the FP Group.

Having regard to (i) the good business relationships that the Group has maintained, and will continue to maintain, with the independent third-party customers and suppliers, (ii) the continued exploration and diversification of the Group's market base, and (iii) the expected business growth of the Group, the Directors are of the view that the gradual increase in the annual caps will not result in over-reliance on the FP Group.

COOPERATION FRAMEWORK AGREEMENT

The principal terms of the Cooperation Framework Agreement are as follows:

Cooperation:

If an Inviting Party intends to participate in any Process, and the board of directors of the Inviting Party, after taking into account the qualitative and quantitative assessment of the scoring criteria of such Process prepared by its tendering department, is satisfied that cooperation with the Invited Party as joint contractors will maximise the scoring of such Process and enhance the chance of successful award of the Construction Contract, the Inviting Party shall promptly within 10 Business Days:

- (i) invite the Invited Party in writing to jointly participate in such Process as joint contractors; and
- (ii) provide such information as is reasonably required by the Invited Party in order to enable the Invited Party to come to an informed assessment of such Process.

If the Invited Party has not given written notice of its desire to jointly participate in such Process or has given written notice denying such joint participation within 10 Business Days (or such longer period as the parties may agree in writing) from the date of receipt of the Inviting Party's written invitation, the Inviting Party may be permitted to participate such Process alone or jointly with other third party(ies) on its accord.

In assessing the scoring criteria of a Process, the tendering department of the Inviting Party shall consider various factors, including but not limited to, (i) the track record and implementation capabilities of the Invited Party, and (ii) the respective potential contributions of the Inviting Party and Invited Party towards satisfying the scoring criteria.

Subject matter:

If the Inviting Party's invitation is accepted within the specified time limit, subject to the entering into of a Cooperation Subcontract between the relevant Group member and FP Group member after arm's length negotiations, the relevant Group member and FP Group member shall cooperate, as joint contractors without the establishment of any separate legal entity, to jointly participate in the Process, and in the event of successful award of the Construction Contract, to enter into and perform the Construction Contract.

The Company and Fortune Peace agree to, and each Cooperation Subcontract shall contain, the following:

- (i) each joint operation arrangement under which a Group member and a FP Group member act as joint contractors shall:
 - (A) engage in a single purpose project/ transaction which is of a revenue nature in the ordinary and usual course of business of the Group;
 - (B) be on an arm's length basis and on normal commercial terms;

- (ii) clause(s) to the effect that such joint operation arrangement may not, without its partners' unanimous consent (A) change the nature or scope of its business, or (B) enter into any transactions which are not on an arm's length basis;

Proportion of interest

- (iii) the respective interest of the relevant Group member and FP Group member in each joint operation arrangement under which they act as joint contractors shall be determined by the board of directors of each of the relevant Group member and FP Group member with reference to their respective contributions towards satisfying the scoring criteria of the relevant Process, but in any event, the Group shall hold not more than 50% interest, and the FP Group shall hold the remainder;

Profit and loss sharing

- (iv) all rights, interests, assets, profits, liabilities, obligations, risks and losses arising out of each joint operation arrangement under which a Group member and a FP Group member act as joint contractors pursuant to the Cooperation Subcontract shall be shared or borne by the relevant Group member and FP Group member in accordance with their respective interest in the relevant joint operation arrangement;

- (v) if the relevant Group member or FP Group member (as the case may be) incurs any liabilities, damages, payments, costs, fees, charges, expenses (including any interest), claims, duty, levy or taxation arising from or in connection with a Construction Contract in a proportion exceeding its interest, the other party shall indemnify, hold harmless and keep fully indemnified the former party against any such items, so that the overall amount is apportioned between the relevant Group member and FP Group member in accordance with their respective interest in the relevant joint operation arrangement;

Financing

- (vi) any initial and additional capital commitment for each joint operation arrangement under which a Group member and a FP Group member act as joint contractors shall be contributed by the relevant Group member and FP Group member in proportion to their respective direct interest in the relevant joint operation arrangement on normal commercial terms or better;

Management

- (vii) the management of each joint operation arrangement under which a Group member and a FP Group member act as joint contractors shall comprise members appointed by the relevant Group member and FP Group member, the respective number of which shall be determined in accordance with their respective interest in the relevant joint operation arrangement;
- (viii) the quorum for a meeting of the management shall be at least two, in which at least one must be a member appointed by the relevant Group member and at least one must be a member appointed by the relevant FP Group member;
- (ix) any decision on material matters shall require unanimous consent of the management of the relevant joint operation arrangement;

Restriction on transfers

- (x) without the prior written consent from the other partner of each joint operation arrangement, neither the relevant Group member or FP Group member may transfer, assign, pledge or encumber its rights, interests and benefits in such joint operation arrangement.

Each Group member and FP Group member shall have the absolute discretion to determine whether to jointly participate in any Process and the Cooperation Framework Agreement shall not restrict or limit each Group member or FP Group member to participate in any Process alone or jointly with any third parties.

Condition precedent:

The Cooperation Framework Agreement shall be conditional upon the Independent Shareholders' approval in respect of the Cooperation Framework Agreement (including the Cooperation Annual Caps) having been obtained on or before 11 September 2026 (or such later date as the parties may agree in writing).

If such condition shall not be so satisfied, all obligations of each party shall cease and determine and none of the parties shall have any claim against the other in relation thereto (save in respect of any antecedent breach of any obligation under the Cooperation Framework Agreement).

Term:

Subject to the fulfilment of the above condition precedent, the period shall commence from the date on which the Cooperation Framework Agreement becomes unconditional and end on 31 March 2029, or such earlier date on which the Cooperation Framework Agreement shall be terminated in accordance with the terms thereof (both dates inclusive).

Annual caps:

The total contract sum of the Construction Contract(s) awarded to the Group and the FP Group as joint contractors:

- (i) for the period commencing from the Commencement Date and ending 31 March 2027, shall not be more than HK\$5,000,000,000;
- (ii) for the financial year ending 31 March 2028, shall not be more than HK\$5,000,000,000; and
- (iii) for the financial year ending 31 March 2029, shall not be more than HK\$5,000,000,000

(collectively, the “**Cooperation Annual Caps**”).

Pricing policy:

The actual contract sum with respect to each Construction Contract shall be determined in the ordinary and usual course of business on normal commercial terms and on an arm's length basis after a Process.

Basis of determining the Cooperation Annual Caps

The Cooperation Annual Caps are determined with reference to, among other things, (i) the expected tender for a Construction Contract with an estimated total contract sum of approximately but not more than HK\$5,000,000,000, which is derived from the information currently available to the Company regarding potential construction project(s) that may be open for tender and suitable for the Group to seek cooperation with other construction company(ies); and (ii) the estimated annual contract sum for the Construction Contract(s), under which the relevant Group member(s) and FP Group member(s) are likely to be held jointly and severally liable towards the relevant third-party developer or owner for carrying out the works under the Construction Contract(s), during the relevant period/financial year. The estimated annual contract sum represents the estimated maximum liability exposure of the Group in the event that the Group is required by the third-party developer or owner to perform or complete the works for which the FP Group shall be responsible under the Cooperation Subcontract(s). The Group has never formed any joint arrangement with the FP Group to jointly enter into and perform a Construction Contract historically.

The Cooperation Annual Caps are determined on the principal assumptions that, for the term of the Cooperation Framework Agreement, (i) there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group and the FP Group; and (ii) the volume of transaction(s) to be conducted jointly by the Group and the FP Group will remain at a similar level for the relevant period/financial year.

INTERNAL CONTROL MEASURES

In order to ensure that the terms of the Mutual Master Service Agreement, the Cooperation Framework Agreement and the respective transactions contemplated thereunder are on normal commercial terms and fair and reasonable to the Company and its Shareholders as a whole, the Group has adopted the following measures:

- (i) the Company has assigned the operation manager of the Company to supervise the continuing connected transactions and review and assess whether the continuing connected transactions contemplated under the Mutual Master Service Agreement are on normal commercial terms, fair and reasonable and conducted in accordance with the terms of the Mutual Master Service Agreement and to also regularly update the market price for the purpose of considering if the Group Fee and FP Group Fee charged for a specific transaction are on normal commercial terms, fair and reasonable and in accordance with the aforesaid pricing policy;
- (ii) prior to the entering into of the Service Subcontract(s), the operation manager of the Company will review all the Group Fee and FP Group Fee rates and pricing of the continuing connected transactions under the Mutual Master Service Agreement, by obtaining at least three fee quotations from independent third parties, to ensure that they are not less favourable to the Group than those offered to/received by the independent third parties;
- (iii) tendering department and contract manager of the Group will review and approve the terms and price of all tenders and other contract award submissions made under the Cooperation Framework Agreement to ensure that they comply with the Group's project tendering and management policies and procedures and are in accordance with the terms of the Cooperation Framework Agreement;
- (iv) specifically designated personnel of the Company will monitor the transactions under each of the Mutual Master Service Agreement and the Cooperation Framework Agreement on a monthly basis to ensure that the aggregate transaction amounts do not exceed the approved annual caps of the respective period/financial year;

- (v) the Company's external auditors will conduct an annual review on the pricing and the annual caps of the continuing connected transactions under the Mutual Master Service Agreement and the Cooperation Framework Agreement and provide a confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions (a) have not been approved by the Board, (b) are not, in all material respects, in accordance with the pricing policies of the Group, (c) are not entered into, in all material respects, in accordance with the relevant agreements governing the transactions, and (d) have exceeded the cap; and
- (vi) the independent non-executive Directors will conduct an annual review of the implementation of the continuing connected transactions under the Mutual Master Service Agreement and the Cooperation Framework Agreement, and provide a confirmation in the annual report of the Company as to whether the continuing connected transactions (a) have been entered into in the ordinary and usual course of business of the Group, (b) are on normal commercial terms or better and (c) are in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Taking into consideration the above internal control measures, the Board considers that the Group has adopted adequate methods and procedures to ensure that the transactions under the Mutual Master Service Agreement and the Cooperation Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

INFORMATION ON FORTUNE PEACE

Fortune Peace, which is a company incorporated in Hong Kong with limited liability, is principally engaged in investment holding. The FP Group is principally engaged in building construction, building services, building management, property investments and money lending business.

As at the date of this announcement, (i) Fortune Peace is ultimately beneficially owned as to 60% by Mr. Ng and his family (namely, Ms. Yee Suk Chun Sophie and Mr. Ng JY), 20% by Mr. Choi and 20% by Mr. Soong; and (ii) World Nexus, being the controlling Shareholder, is ultimately beneficially owned as to 60% by Mr. Ng, 20% by Mr. Choi and 20% by Mr. Soong. In addition, each of Mr. Ng, Mr. Choi and Mr. Soong is the father of Mr. Ng JY, Mr. Choi SYD and Ms. Soong WS, being the executive Directors, respectively. As such, Fortune Peace is a connected person of the Company under the Listing Rules.

INFORMATION ON THE COMPANY AND THE GROUP

The Company, which is a company incorporated in the Cayman Islands with limited liability, is principally engaged in investment holding. The Group is principally engaged in the provision of (i) building construction services, (ii) repair, maintenance, alteration and addition works services, and (iii) design and build services in Hong Kong as main contractor.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MUTUAL MASTER SERVICE AGREEMENT AND THE COOPERATION FRAMEWORK AGREEMENT

The FP Group is a well-established building construction and services provider. In common with the Group, the FP Group is a registered contractor on the Hong Kong Development Bureau's List of Public Works Contractors – Buildings Category (Group C) and a registered electrical contractor under the Electricity (Registration) Regulations (Cap. 406 Sub. Leg.). Additionally, in contrast to the Group, the FP Group is registered as an Electrical Contractor, Fire Services Contractor, Water Pump Contractor, and Property Services Agent under the Hong Kong Housing Authority. While the Group is a contractor in NW1 (being eligible to tender only for new works contracts with a value up to HK\$700 million), the FP Group is a contractor in NW2 (being eligible to tender for new works contracts of unlimited value) on the Hong Kong Housing Authority List of Building Contractors.

By virtue of the above, the FP Group generally undertakes larger-scale projects with relatively higher contract values, greater operational and technical complexity, and larger site magnitudes. Its diverse range of building construction works spans both the public and private sectors, and encompasses residential developments, commercial premises, hospitality facilities, educational institutions, and government buildings.

Provision of the FP Group Services to the Group

Given the Group's lack of certain registrations and expertise, the Directors believe that engaging the FP Group as a subcontractor would enable the Group to (i) offer integrated project solutions without developing in-house specialist capabilities, (ii) benefit from the FP Group's experience and expertise, and (iii) facilitate the smooth operation of its business by having a stable and reliable source of support. The Group may also engage FP Group for services within the Group's own capabilities in specific circumstances, particularly during periods of elevated workload to ensure timely project completion.

Provision of the Group Services by the Group

Having regard to the large-scale projects undertaken by the FP Group, which require reliable subcontractors, the Directors consider that providing the Group Services to the FP Group would allow the Group to (i) generate stable revenue from a well-established party, (ii) achieve operational synergies and more efficient resource allocation, and (iii) gain market exposure to larger-scale and more diverse projects that the Group would not typically secure on a standalone basis, thereby enhancing its track record and capabilities.

Cooperation as joint contractors

The Directors are of the view that the entering into of the Cooperation Framework Agreement would benefit the Group by leveraging the FP Group's experience and expertise, thereby improving the Group's own capabilities over the longer term and strengthening the Group's overall competitiveness and business growth. The Group historically undertook relatively limited construction projects in the private sector. The cooperation between the Group and the FP Group as joint contractors is expected to enable the Group to access to more tender opportunities and expand its customer base in the public sector while growing its presence in the private sector and to increase the chance of successful award of the higher-value and more complex Construction Contract(s), for which the Group, acting on a standalone basis, would be less likely to secure.

In light of the above, the Directors (excluding the independent non-executive Directors whose view will be included in the circular after taking into account the advice from the Independent Financial Adviser and excluding Mr. Ng JY, Mr. Choi SYD and Ms. Soong WS who had abstained from voting at the relevant Board meeting) consider that (i) each of the Mutual Master Service Agreement and the Cooperation Framework Agreement was entered into in the ordinary and usual course of business of the Group on normal commercial terms; and (ii) the terms of each of the Mutual Master Service Agreement (including the pricing mechanism, the Group Fee Annual Caps and the FP Group Fee Annual Caps) and the Cooperation Framework Agreement (including the Cooperation Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, (i) Fortune Peace is ultimately beneficially owned as to 60% by Mr. Ng and his family, 20% by Mr. Choi and 20% by Mr. Soong; and (ii) World Nexus, being the controlling Shareholder, is ultimately beneficially owned as to 60% by Mr. Ng, 20% by Mr. Choi and 20% by Mr. Soong. In addition, each of Mr. Ng, Mr. Choi and Mr. Soong is the father of Mr. Ng JY, Mr. Choi SYD and Ms. Soong WS, being the executive Directors, respectively. As such, Fortune Peace is a connected person of the Company under the Listing Rules, and the entering into of the Mutual Master Service Agreement, the Cooperation Framework Agreement and the respective transactions contemplated thereunder constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules.

Save for Mr. Ng JY, Mr. Choi SYD and Ms. Soong WS, who have abstained from voting on the relevant resolutions of the Board, none of the Directors has material interest in the Mutual Master Service Agreement, the Cooperation Framework Agreement and the respective transactions contemplated thereunder and is required to abstain from voting on the relevant resolutions of the Board.

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Group Fee Annual Caps is more than 5% and the annual consideration is expected to exceed HK\$10,000,000, the provision of Group Services by the Group to the FP Group under the Mutual Master Service Agreement is subject to reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the FP Group Fee Annual Caps is more than 5% and the annual consideration is expected to exceed HK\$10,000,000, the provision of FP Group Services by the FP Group to the Group under the Mutual Master Service Agreement is subject to reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the Cooperation Annual Caps is more than 5% and the annual consideration is expected to exceed HK\$10,000,000, the transactions contemplated under the Cooperation Framework Agreement are subject to reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the Mutual Master Service Agreement (including the Group Fee Annual Caps and the FP Group Fee Annual Caps), the Cooperation Framework Agreement (including the Cooperation Annual Caps) and the respective transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and as to how to vote, taking into account the recommendation of the Independent Financial Adviser. The Company has appointed Rainbow Capital as its Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held at which the Independent Shareholders will consider and, if thought fit, approve the Mutual Master Service Agreement (including the Group Fee Annual Caps and the FP Group Fee Annual Caps), the Cooperation Framework Agreement (including the Cooperation Annual Caps) and the respective transactions contemplated thereunder.

A circular including, among other things, (i) a letter from the Board containing further details of the Mutual Master Service Agreement and the Cooperation Framework Agreement; (ii) a letter from the Independent Board Committee; and (iii) a letter from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; together with a notice convening the EGM, are expected to be despatched to the Shareholders on or before 7 July 2026.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Commencement Date”	the date on which the Mutual Master Service Agreement or the Cooperation Framework Agreement (as the case may be) becomes unconditional
“Company”	Thelloy Development Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1546)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Construction Contract(s)”	the contract(s) for building construction and related services, to which a third-party developer or owner is a party

“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Cooperation Annual Caps”	has the meaning ascribed thereto under the section headed “Cooperation Framework Agreement – Annual Caps” in this announcement
“Cooperation Framework Agreement”	the conditional agreement dated 12 June 2026 entered into between the Company and Fortune Peace in relation to the formation of joint operation arrangement(s) for participation in the Process(es), and in the event of successful award of the Construction Contract(s), entering into and performance of the Construction Contract(s) for a term commencing from the Commencement Date and ending on 31 March 2029, or such earlier date on which the Cooperation Framework Agreement shall be terminated in accordance with the terms thereof (both dates inclusive)
“Cooperation Subcontract(s)”	the relevant joint operation agreement(s) entered into and to be entered into between a Group member and a FP Group member from time to time after arm’s length negotiations in relation to their joint participation in a Process, and in the event of successful award of a Construction Contract, entering into and performance of the Construction Contract as joint contractors, on the terms and subject to the conditions set out in the Cooperation Framework Agreement
“Director(s)”	the director(s) of the Company

“EGM”	an extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Mutual Master Service Agreement (including the Group Fee Annual Caps and the FP Group Fee Annual Caps), the Cooperation Framework Agreement (including the Cooperation Annual Caps) and the respective transactions contemplated thereunder
“Fortune Peace”	Fortune Peace Holdings Limited, a company incorporated in Hong Kong with limited liability
“FP Group”	Fortune Peace and its subsidiaries
“FP Group Fee”	the fee payable by the relevant member(s) of the Group to the relevant member(s) of the FP Group for the FP Group Services under the Mutual Master Service Agreement
“FP Group Fee Annual Caps”	has the meaning ascribed thereto under the section headed “Mutual Master Service Agreement – Annual Caps” in this announcement
“FP Group Services”	building construction and related services, including but not limited to (i) building construction works, (ii) repair, maintenance, alteration and addition works, (iii) electrical and mechanical works, (iv) building information modelling services, (v) smart site safety system services, (vi) drainage and sundries works, (vii) façade works, (viii) steel works, (ix) project management, (x) project consultation, (xi) property management services, and/or such other ancillary and incidental services as shall be agreed by the parties in writing from time to time, to be provided by the FP Group to the Group on the terms and subject to the conditions of the Mutual Master Service Agreement

“Group”	the Company and its subsidiaries
“Group Fee”	the fee payable by the relevant member(s) of the FP Group to the relevant member(s) of the Group for the Group Services under the Mutual Master Service Agreement
“Group Fee Annual Caps”	has the meaning ascribed thereto under the section headed “Mutual Master Service Agreement – Annual Caps” in this announcement
“Group Services”	building construction and related services, including but not limited to (i) building construction works, (ii) repair, maintenance, alteration and addition works, (iii) electrical and mechanical works, (iv) design and build in connection with modular integrated construction, (v) project management, (vi) project consultation, and/or such other ancillary and incidental services as shall be agreed by the parties in writing from time to time, to be provided by the Group to the FP Group on the terms and subject to the conditions of the Mutual Master Service Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Mutual Master Service Agreement (including the Group Fee Annual Caps and FP Group Fee Annual Caps) and the Cooperation Framework Agreement (including the Cooperation Annual Caps)

“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Mutual Master Service Agreement (including the Group Fee Annual Caps and FP Group Fee Annual Caps) and the Cooperation Framework Agreement (including the Cooperation Annual Caps)
“Independent Shareholders”	Shareholders who are not required under the Listing Rules to abstain from voting on the resolution(s) approving the Mutual Master Service Agreement, the Cooperation Framework Agreement and the respective transactions contemplated thereunder
“Invited Party”	any Group member or FP Group member (as the case may be), who is not an Inviting Party for a particular Process
“Inviting Party”	any Group member or FP Group member (as the case may be), who intends and initiates to jointly participate in a particular Process with the Invited Party
“joint contractors”	a Group member and a FP Group member cooperating in the form of a joint operation, without the establishment of any separate legal entity, whereby each Group member and FP Group member has direct rights to the assets and obligations for the liabilities of the arrangement in proportion to its interest therein, for the purpose of jointly participating in a Process, and if successful, enter into and perform the relevant Construction Contract, on the terms and subject to the conditions of the Cooperation Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Choi”	Mr. Choi Chi Wan, being the father of Mr. Choi SYD and one of the ultimate beneficial owners of each of Fortune Peace and World Nexus
“Mr. Choi SYD”	Mr. Choi Sheung Yi Derek, being an executive Director and the son of Mr. Choi
“Mr. Ng”	Mr. Ng Wing Chiu Raymond, being the father of Mr. Ng JY and one of the ultimate beneficial owners of each of Fortune Peace and World Nexus
“Mr. Ng JY”	Mr. Ng Jonathan Yee, being an executive Director, the chairman of the Board and the chief executive officer of the Company as well as the son of Mr. Ng
“Mr. Soong”	Mr. Soong Tze Man, being the father of Ms. Soong WS and one of the ultimate beneficial owners of each of Fortune Peace and World Nexus
“Ms. Soong WS”	Ms. Soong Wing Suen, being an executive Director and the daughter of Mr. Soong
“Mutual Master Service Agreement”	the conditional agreement dated 12 June 2026 entered into between the Company and Fortune Peace in relation to the provision of Group Services and FP Group Services for a term commencing from the Commencement Date and ending on 31 March 2029, or such earlier date on which the Mutual Master Service Agreement shall be terminated in accordance with the terms thereof (both dates inclusive)
“Process”	tendering process or such other prescribed contract award process as may be implemented by any third-party developer or owner from time to time in respect of a Construction Contract

“Service Subcontract(s)”	the relevant contract(s) entered into and to be entered into between member(s) of the Group and member(s) of the FP Group from time to time after arm’s length negotiations in relation to the provision of Group Services or FP Group Services (as the case may be), on the terms and subject to the conditions set out in the Mutual Master Service Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“World Nexus”	World Nexus Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is ultimately beneficially owned as to 60% by Mr. Ng, 20% by Mr. Choi and 20% by Mr. Soong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Thelloy Development Group Limited
Ng Jonathan Yee
Chairman and Executive Director

Hong Kong, 12 June 2026

As at the date of this announcement, the Board comprises four executive Directors namely Mr. Ng Jonathan Yee, Mr. Choi Sheung Yi Derek, Ms. Soong Wing Suen and Mr. Lam Arthur Chi Ping, and three independent non-executive Directors namely Mr. Ip Yik Nam, JP, Mr. Tso Ping Cheong Brian and Ms. Yeung Wai Yan.