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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

HIGHLIGHTS

- The Group recorded total revenue for the Year of approximately HK\$470.4 million, representing an increase of approximately 17.5% as compared to the Previous Year.
- Loss attributable to owners of the Company for the Year was approximately HK\$33.5 million (Loss attributable to owners of the Company for the Previous Year: approximately HK\$51.4 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 2026 (the “**Year**”) together with the comparative audited figures for the year ended 31 March 2025 (the “**Previous Year**”), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

		2026	2025
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	470,425	400,168
Direct costs		<u>(458,754)</u>	<u>(391,900)</u>
Gross profit		11,671	8,268
Other income	4	3,867	2,107
Impairment losses reversed (recognised) under expected credit loss model, net	5	170	(183)
Impairment loss on amount due from a joint venture		(3,766)	–
Administrative expenses		(35,058)	(34,824)
Share of losses of joint ventures		(3,435)	(19,531)
Finance costs	6	<u>(7,070)</u>	<u>(7,436)</u>
Loss before tax	7	(33,621)	(51,599)
Income tax credit	8	<u>144</u>	<u>241</u>
Loss and total comprehensive expense for the year		<u><u>(33,477)</u></u>	<u><u>(51,358)</u></u>
Loss per share	10		
Basic (HK cents)		<u><u>(4.18)</u></u>	<u><u>(6.42)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

		2026	2025
	NOTES	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		84,434	89,698
Right-of-use assets		4,997	1,570
Interests in joint ventures		99,943	108,954
Rental deposits		522	93
		<u>189,896</u>	<u>200,315</u>
Current assets			
Trade and other receivables	11	40,348	59,597
Contract assets		102,567	95,320
Amount due from a joint venture		3,370	9,010
Tax recoverable		–	2,086
Pledged bank deposits		1,041	2,073
Cash and cash equivalents		30,692	31,381
		<u>178,018</u>	<u>199,467</u>
Current liabilities			
Trade and other payables	12	82,089	123,925
Lease liabilities		1,661	1,184
Deferred income		491	474
Other loans		6,000	–
Bank borrowings		138,872	154,420
		<u>229,113</u>	<u>280,003</u>
Net current liabilities		<u>(51,095)</u>	<u>(80,536)</u>

		2026	2025
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets less current liabilities		<u>138,801</u>	<u>119,779</u>
Non-current liabilities			
Lease liabilities		3,334	185
Deferred tax liabilities		45	271
Deferred income		579	1,003
Loans from a shareholder		<u>50,000</u>	<u>–</u>
		<u>53,958</u>	<u>1,459</u>
Net assets		<u>84,843</u>	<u>118,320</u>
Capital and reserves			
Share capital	<i>13</i>	8,000	8,000
Reserves		<u>76,843</u>	<u>110,320</u>
Equity attributable to owners of the Company		<u>84,843</u>	<u>118,320</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i> <i>(note)</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 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
Loss and total comprehensive expense for the year	–	–	–	(33,477)	(33,477)
At 31 March 2026	8,000	42,490	18,800	15,553	84,843

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, Uglan 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.

On 23 January 2026, Cheers Mate Holding Limited (“**Cheers Mate**”, the then immediate holding company of the Company), Mr. Lam Kin Wing Eddie (“**Mr. Eddie Lam**”) and World Nexus Holdings Limited (“**World Nexus**”) entered into a sale and purchase agreement on the sale and purchase of 500,800,000 shares of the Company from Cheers Mate to World Nexus, representing 62.6% of the total issued shares of the Company. Following the completion of the sale and purchase on 12 February 2026, World Nexus became the immediate holding company of the Company holding 62.6% shareholding interest in the Company and Cheers Mate held a remaining 9.9% shareholding interest in the Company. As at 31 March 2026, World Nexus becomes the immediate holding company of the Group. Subsequent to the end of reporting period and immediately after the close of the mandatory unconditional cash offer by World Nexus to acquire all the issued shares of the Company (other than the shares held by World Nexus and its concert parties) on 10 April 2026, World Nexus held 62.7% of the total issued shares of the Company. World Nexus is ultimately beneficially owned as to 60% by Mr. Ng Wing Chiu Raymond, 20% by Mr. Choi Chi Wan and 20% by Mr. Soong Tze Man.

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 HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard 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 HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS 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 Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

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 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS 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 HKFRS 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 Rule**”) and by the Hong Kong Companies Ordinance.

Going concern assessment

During the year ended 31 March 2026, the Group incurred a net loss of HK\$33,477,000 and resulted a net operating cash outflow and net decrease in cash and cash equivalents of HK\$43,819,000 and HK\$689,000, respectively. As at 31 March 2026, the Group’s current liabilities exceeded its current assets by HK\$51,095,000, and the Group’s aggregate bank borrowings amounted to HK\$138,872,000, which were due for settlement within twelve months and were classified as current liabilities while the Group had cash and cash equivalents of HK\$30,692,000.

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 2027, 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. Despite there was a non-compliance of the gearing ratio of a bank borrowing with carrying amount of HK\$22,200,000 as at 31 March 2026, the Group has fully settled the relevant outstanding balance of HK\$22,200,000 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. As at 31 March 2026, the Group maintained banking facilities subject to annual review, with unutilised banking facilities of approximately HK\$193,054,000 available to support daily operating expenses. The Directors have a reasonable expectation that these facilities will continue to be renewed on an annual basis.

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

	2026	2025
	HK\$'000	HK\$'000
Recognised over time under HKFRS 15:		
Building construction	443,443	369,495
Repair, maintenance, alteration and addition (“RMAA”) works	26,953	30,102
Design and build	29	571
	<hr/>	<hr/>
Revenue from contracts with customers	470,425	400,168
	<hr/> <hr/>	<hr/> <hr/>
Type of customers		
Government departments	215,499	235,427
Private customers	254,926	164,741
	<hr/>	<hr/>
	470,425	400,168
	<hr/> <hr/>	<hr/> <hr/>

Performance obligations for contracts with customers and revenue recognition policies

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 for contracts with customers

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

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	341,869	597,013
More than one year but not more than two years	133,372	213,235
More than two years	–	297,316
	<u>475,241</u>	<u>1,107,564</u>

Segment information

For the purpose of resources allocation and performance assessment, information reported to the chief executive of the Group, being the chief operating decision maker, focus on revenue analysis by type of services. No other discrete financial information is provided other than the Group's results and financial position of the Group as a whole. 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\$89,431,000 (2025: HK\$91,268,000) as at 31 March 2026 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:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	226,283	161,738
Customer B	189,198	114,493
Customer C*	N/A	88,980

* The customer's revenue for the year ended 31 March 2026 is less than 10% of the Group's revenue.

4. OTHER INCOME

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other income:		
– Bank interest income	206	111
– Rental income	1,522	1,522
– Government grants (<i>note</i>)	2,139	474
	<u>3,867</u>	<u>2,107</u>

Note: For the year ended 31 March 2026, government grants include subsidies from Construction Innovation and Technology Fund (CITF) of approximately HK\$1,648,000 which is unconditional and recognised as other income when received and HK\$491,000 (2025: HK\$474,000) for adoption of innovative constructive methods and new technology which is credited to income from deferred income.

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

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Impairment losses (reversed) recognised on:		
– trade receivables	(194)	248
– contract assets	<u>24</u>	<u>(65)</u>
	<u>(170)</u>	<u>183</u>

6. FINANCE COSTS

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interests on:		
Bank borrowings	6,991	7,391
Lease liabilities	<u>79</u>	<u>45</u>
	<u>7,070</u>	<u>7,436</u>

7. LOSS BEFORE TAX

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss before tax has been arrived at after charging:		
Direct costs (<i>note</i>):		
Raw materials and consumables used	68,999	59,208
Subcontractor and other expenses	<u>310,852</u>	<u>272,575</u>
	<u>379,851</u>	<u>331,783</u>
Auditor's remuneration	950	1,000
Depreciation of property, plant and equipment	5,413	5,676
Depreciation of right-of-use assets	2,351	2,415
Directors' remuneration	<u>6,482</u>	<u>6,574</u>
Staff costs:		
Salaries and allowances	<u>88,461</u>	<u>70,873</u>
Contributions to retirement benefits schemes	<u>2,650</u>	<u>2,139</u>
Total staff costs	<u><u>97,593</u></u>	<u><u>79,586</u></u>

Note: Direct costs includes of approximately HK78,890,000 (2025: HK\$60,117,000) relating to staff costs, which is also included in the staff costs separately disclosed above.

8. INCOME TAX CREDIT

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	82	–
Deferred tax:		
Credit for the year	<u>(226)</u>	<u>(241)</u>
	<u>(144)</u>	<u>(241)</u>

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE

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

Loss

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss for the purpose of basic loss per share for the year attributable to owners of the Company	<u>(33,477)</u>	<u>(51,358)</u>

Number of shares

	2026 <i>'000</i>	2025 <i>'000</i>
Number of ordinary shares for the purpose of calculating basic loss per share	<u>800,000</u>	<u>800,000</u>

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

11. TRADE AND OTHER RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade receivables	32,512	54,556
<i>Less: Allowance for credit losses</i>	<u>(142)</u>	<u>(336)</u>
	32,370	54,220
Rental deposits	648	765
Other deposits	7,212	2,605
Other receivables	9	14
Prepayments	<u>631</u>	<u>604</u>
	40,870	58,208
<i>Less: Rental deposits (classified as non-current assets)</i> <i>(note i)</i>	<u>(522)</u>	<u>(93)</u>
	40,348	58,115
Loan receivable from a related company <i>(note ii)</i>	<u>–</u>	<u>1,482</u>
	<u>40,348</u>	<u>59,597</u>

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 (2025: 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, carried at fixed interest of 12% per annum, secured by a personal guarantee and repayable on 30 September 2025. As at 31 March 2026, the loan receivable was fully settled in cash by the related company.

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.

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	<u>32,370</u>	<u>54,220</u>

As at 31 March 2026 and 2025, there are no trade receivables balance which are past due.

12. TRADE AND OTHER PAYABLES

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	44,172	76,745
Other payables	3,370	5,244
Accrued charges	5,467	15,145
Retention payables (<i>note</i>)	28,180	25,800
Deposits received from suppliers	–	65
Deposits received for rental	900	926
	<u>82,089</u>	<u>123,925</u>

Note: 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.

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:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-30 days	42,286	66,091
31-60 days	1,864	10,619
61-90 days	–	35
91-120 days	22	–
	<u>44,172</u>	<u>76,745</u>

13. SHARE CAPITAL

	Number of shares	Share capital
		<i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2024, 31 March 2025 and 31 March 2026	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
At 1 April 2024, 31 March 2025 and 31 March 2026	<u>800,000,000</u>	<u>8,000</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Construction

The Hong Kong construction sector experienced a marked divergence between private and public activity during the Year. Private-sector projects recorded a sharp 22.3% contraction in output, which continued to weigh on market sentiment and project pipelines. Private developers maintained a cautious stance, deferring or scaling back development activity in response to soft demand, elevated financing costs and on-going uncertainty in the property market. In this environment, public works remained as the principal growth driver for the industry. The 2026-27 Budget by the Government of the Hong Kong Special Administrative Region of the People's Republic of China (the "**Government**") reaffirmed a high level of capital works spending, with capital works expenditure estimated at about HK\$128 billion in FY2026/27 and an average of around HK\$130 billion per annum from FY2026/27 to FY2030/31. This is underpinned by the Northern Metropolis Development, transport-connectivity projects and continued investment in public housing and infrastructure, which together form a substantial forward pipeline of construction opportunities for contractors.

The construction industry continues to face structural headwinds. Geopolitical tensions, particularly those affecting the Middle East, have further disrupted global supply chains, driving up fuel costs and causing intermittent delays along key shipping routes. These disruptions have translated into higher production and logistics costs for critical materials such as steel, cement, mechanical and electrical equipment and various manufactured components. Inflationary pressures have kept financing costs elevated, with many contractors facing tighter cash flow and a more demanding financing environment. At the same time, the prolonged downturn in private-sector development has led to excess industry capacity, sustaining intense competition in public works tendering and constraining tender margins. As a result, market consolidation among major building contractors has accelerated as participants face operational and financial challenges.

Against this backdrop, the Group remained focused on public-sector and government-funded works, where our proven track record, project delivery capability and compliance standards represent key competitive advantages. During the Year, the Group achieved healthy revenue growth from ongoing projects and recorded a meaningful improvement in gross profit margin. Nevertheless, overall profitability remained under pressure, primarily due to limited tender margins on existing projects, rising production and logistics costs linked to supply-chain disruptions and tightened cash flow conditions across the supply chain.

To position itself for future opportunities, the Group has continued to strengthen its capabilities in Modular Integrated Construction (MiC) design-and-build and Building Information Modeling (BIM) technology to enhance planning accuracy and productivity. With safety as a core value, the Group has also implemented artificial intelligence and the Smart Site Safety System (4S) for real-time site monitoring, enabling early detection of safety risks and helping to reduce accidents.

While the external environment remains complex, the Group's strategy of focusing on high-quality public-sector and government-related projects, supported by prudent financial management and established expertise in public-sector works, is expected to support sustainable growth and an enhanced competitive position in Hong Kong's construction market in the years ahead.

Property

The Group is also involved in the property business through its interests in Great Glory Developments Limited (the “**JV Company**”, 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 JV Company, through its interest in World Partners Limited (“**JV Subsidiary**”) is to redevelop an industrial building in Tsuen Wan. Town planning approval for redevelopment into hotel and/or student accommodation use was obtained in February 2026, positioning the project to capture growing interest and market demand for such asset types.

In addition, the JV Company holds interests in various land lots in Yuen Long, which were sold in May 2025, contributing to the Group's overall financial management strategy and providing an additional source of cash proceeds.

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 activities in Hong Kong, with public sector projects remaining as 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 licences 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 modernize construction processes, (ii) minimize 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\$400.2 million for the Previous Year to approximately HK\$470.4 million for the Year, representing an increase of approximately 17.5%. The increase was mainly attributable to the combined effect of (i) the increase in revenue from the building construction services from approximately HK\$369.5 million for the Previous Year to approximately HK\$443.4 million for the Year, representing an increase of approximately 20%; (ii) a decrease in revenue from design and build services from approximately HK\$0.57 million for the Previous Year to approximately HK\$0.03 million for the Year, representing a decrease of approximately 94.7%; and (iii) a decrease in revenue from RMAA services from approximately HK\$30.1 million for the Previous Year to approximately HK\$27.0 million for the Year, representing a decrease of approximately 10.3%. 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 RMMA services was due to the completion of several projects on hand during the Year.

Direct Costs

The Group's direct costs increased from approximately HK\$391.9 million for the Previous Year to approximately HK\$458.8 million for the Year, representing an increase of approximately 17.1% as compared to the Previous Year. Such increase was in line with the increase of revenue during the Year.

Gross Profit and Gross Profit Margin

The Group's gross profit amounted to approximately HK\$11.7 million and HK\$8.3 million for the Year and the Previous Year respectively, representing an increase of approximately 41.0%. The increase was mainly in line with the increase of revenue during the Year.

The overall gross profit margin remained stable at approximately 2.1% for the Previous Year and 2.5% for the Year.

Other Income

During the Year, the Group's other income mainly represented bank interest income, rental income and government grants, which increased by approximately HK\$1.8 million from approximately HK\$2.1 million for the Previous Year to approximately HK\$3.9 million for the Year, representing an increase of approximately 85.7%. This was mainly attributable to an increase in the Government grants from Construction Innovation and Technology Fund during the Year.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$35.1 million and HK\$34.8 million for the Year and the Previous Year respectively, representing an increase of approximately 0.9%, 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\$7.1 million and HK\$7.4 million respectively, representing a decrease of approximately 4.1%. The decrease in finance costs was mainly due to the decrease in interest rate and bank borrowings during the Year.

Income Tax Credit

For the Year, an income tax credit of HK\$0.1 million was recorded for the Group as it sustained a taxation loss (Previous Year: income tax credit of HK\$0.2 million).

Loss and Total Comprehensive Expense for the Year

The Group incurred a loss and total comprehensive expense of HK\$33.5 million for the Year, as compared to a loss and total comprehensive expense of HK\$51.4 million for the Previous Year. The reduction in loss was mainly due to the combined effect of an increase in revenue and gross profit; a decrease of share of losses of joint ventures and an increase in other income due to increase in Government grants from Construction Innovation and Technology Fund during the Year.

Dividends

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

Liquidity and Financial Resources

The Group generally finances its operation with internally generated cash flows and credit facilities provided by banks. As at 31 March 2026, the Group had bank balances and cash (including pledged bank deposits) of approximately HK\$31.7 million (as at 31 March 2025: approximately HK\$33.5 million) and the current ratio was approximately 0.78 (as at 31 March 2025: approximately 0.71). As at 31 March 2026, bank borrowings of HK\$138.9 million (as at 31 March 2025: HK\$154.4 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 1.38% to 2.8% (as at 31 March 2025: 1.35% to 2.5%) with an effective rate of 4.33% (as at 31 March 2025: 5.96%) per annum and denominated in Hong Kong dollars.

Gearing Ratio

The gearing ratio of the Group as at 31 March 2026 was approximately 235.6% (as at 31 March 2025: 131.7%). 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 other loans and loans from a shareholder.

Contingent Liabilities

On 5 March 2021, the Group provided a guarantee to a bank in respect of a bank facility to the JV Subsidiary up to a maximum amount of HK\$124.0 million, provided that the liability of the Group in respect of any part of the guaranteed indebtedness shall be several with that of other joint venture partners, and be limited to 34.3% of the guaranteed indebtedness, representing the effective interest of the Group in the JV Subsidiary. As at 31 March 2026, the JV Company had settled HK\$50.0 million, and its outstanding loan principal under the abovementioned bank facility as at 31 March 2026 was HK\$74.0 million.

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 2026, the Group had pledged bank deposits of approximately HK\$1.0 million (as at 31 March 2025: approximately HK\$2.1 million), where all properties with carrying amount of approximately HK\$71.7 million (as at 31 March 2025: approximately HK\$74.5 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.

Capital and Other Commitment

On 5 March 2021, in order to finance the land acquisition plan of the JV Company, the Group agreed to provide the additional capital contribution in the aggregate amount of HK\$188,650,000 to the JV Company and such contributions shall be payable upon request of the the JV Company from time to time. As at 31 March 2026, the outstanding commitment was HK\$62,628,000 (as at 31 March 2025: HK\$77,632,000). Save as disclosed, as at 31 March 2026 and 30 September 2025, the Group had no other significant capital commitment.

Human Resources Management

As at 31 March 2026, the Group had a total of 141 employees (2025: 164 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\$97.6 million (as at 31 March 2025: HK\$79.6 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 Associates and Joint Ventures

As at 31 March 2026, the Company held a significant investment, with a value of over 5% of the Company's total assets as at 31 March 2026, in the JV Company. The Group's total investment in the JV Company is HK\$188,650,000, and the amount provided up to 31 March 2026 was approximately HK\$126,022,000. As at 31 March 2026, the Group owned 49 shares in the JV Company, representing 49% equity interests in the JV Company with a carrying amount of the Group's interests in the JV Company of approximately HK\$99,943,000, representing approximately 27.2% of the total assets of the Company as at 31 March 2026. No market value was available for this investment as at 31 March 2026.

On 15 May 2025, the JV Company, which is owned as to 49% by the Group, disposed of its entire equity interests in Profit Apex Developments Limited and Sky Glory Properties Limited for a total cash consideration of HK\$42,000,000.

As the Group held 49% of the paid-up share capital of the disposed entities, the attributable consideration to the Group amounted to HK\$20,580,000. The financial effects of the disposal were included in the share of losses of joint ventures.

The JV Company 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 the JV Company. The Board considers that the investments in the JV Company 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 2026, performance guarantees of approximately HK\$6.4 million (as at 31 March 2025: 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 was issued by a bank in favour of the Group's landlord as security for a premise leased by the Group. As at 31 March 2026, such performance guarantee was no longer required by the landlord.

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.

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

The Share Option Scheme has expired on 21 September 2025 and the Company has no Share Option Scheme currently in force.

CHANGE OF CONTROLLING SHAREHOLDER

On 23 January 2026, Cheers Mate Holding Limited (“**Cheers Mate**”, the then immediate holding company of the Company), Mr. Eddie Lam Kin Wing Eddie (“**Mr. Eddie Lam**”) and World Nexus Holdings Limited (“**World Nexus**”) entered into a sale and purchase agreement on the sale and purchase of 500,800,000 shares of the Company from Cheers Mate to World Nexus, representing 62.6% of the total issued shares of the Company. Following the completion of the sale and purchase on 12 February 2026, World Nexus became the immediate holding company of the Company holding 62.6% shareholding interest in the Company and Cheers Mate held a remaining 9.9% shareholding interest in the Company. Subsequent to the end of the Year and immediately after the close of the mandatory unconditional cash offer by World Nexus to acquire all the issued shares of the Company (other than the shares held by World Nexus and its concert parties) on 10 April 2026, World Nexus held 62.7% of the total issued shares of the Company. World Nexus is ultimately beneficially owned as to 60% by Mr. Ng Wing Chiu Raymond, 20% by Mr. Choi Chi Wan and 20% by Mr. Soong Tze Man. Further details have been disclosed in the announcements of the Company dated 28 January 2026, 12 February 2026 and 10 April 2026, respectively.

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. During the Year, the Audit Committee comprises all three Independent non-executive Directors (the “**INED(s)**”), namely Mr. Tse Ting Kwan, who was the chairman of the Audit Committee, Mr. Tang Chi Wang and Mr. Wong Kwong On, and they resigned as INEDs and ceased to be members of the Audit Committee on 10 April 2026. Up to date of this announcement, Mr. Tso Ping Cheong Brian, who is the Chairman of the Audit Committee, Mr. Ip Yik Nam *JP*, Ms. Leung Wai Yan have been appointed as INEDs and members of the Audit Committee on 10 April 2026. 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 Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and legal requirements, and adequate disclosures have been made.

SUBSEQUENT EVENT

Proposed Change of Company Name

The Company has proposed to change its English name and Chinese name from “Thelloy Development Group Limited 德萊建業集團有限公司” to “Fortune Peace Development Group Limited 裕和建業集團有限公司” (the “**Change of Company Name**”). An extraordinary general meeting of the Company (the “**EGM**”) will be convened and held for the Shareholders to consider and, if thought fit, approve the Change of Company Name. Details have been disclosed in the announcement of the Company dated 12 June 2026. A circular containing, among other things, details of the proposed Change of Company Name, together with the notice of the EGM and the related proxy form will be despatched to the Shareholders as soon as practicable.

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 as well as 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. During the Year, Mr. Eddie Lam served as the Chairman and also acted as the Chief Executive Officer, which constituted a deviation from the code provision C.2.1 of the CG Code. Subsequent to the end of the Year, Mr. Eddie Lam resigned as the Chairman and the Chief Executive Officer with effect from 10 April 2026 (the “**Resignation**”).

The Board is of the view that vesting both roles in Mr. Eddie Lam during his tenure in the Year allowed for more effective planning and execution of business strategies. During Mr. Eddie Lam's tenure in the Year, the Board had four INEDs who were qualified professionals and/or experienced individuals. As all major decisions of the Board were made in consultation with all the members of the Board which met on a regular quarterly basis to review the operations of the Group, and shall be approved by a majority vote of the Board, with the four INEDs on the Board scrutinising important decisions and offering independent perspectives, the Board believed that there were adequate safeguards in place to ensure a sufficient balance of power and authority within the Board.

Following Mr. Eddie Lam's Resignation, Mr. Ng Jonathan Yee ("**Mr. Ng**") has been appointed as the Chairman and Chief Executive Officer with effect from 10 April 2026. As Mr. Ng has been appointed as both the Chairman and the Chief Executive Officer, such practice deviates from code provision C.2.1 of the CG Code. The Board is of the view that vesting both roles in Mr. Ng allows for more effective planning and execution of business strategies. Under the supervision by the Board, which consists of four executive Directors and three INEDs during Mr. Ng's tenure, the interests of the Shareholders are adequately and fairly represented. In addition, as all major decisions are made in consultation with and approved by the members of the Board, the Board believes that this arrangement does not have a negative influence on the balance of power and authorisation between the Board and the management of the Company. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances.

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 of 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 that a risk management control system are 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 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 2026, 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 29 June 2026. 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 2026:

“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 2026, 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 2026, 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 consolidated financial statements, which indicates that during the year ended 31 March 2026, the Group incurred a net loss of HK\$33,477,000 and resulted a net operating cash outflow and net decrease in cash and cash equivalents of HK\$43,819,000 and HK\$689,000, respectively. As at 31 March 2026, the Group’s current liabilities exceeded its current assets by HK\$51,095,000 and the Group’s aggregate bank borrowings amounted to HK\$138,872,000, which were due for settlement within twelve months and were classified as current liabilities while the Group had cash and cash equivalents of HK\$30,692,000. These events or conditions, along with other matters as set out 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 in this announcement.

2026 ANNUAL GENERAL MEETING (“2026 AGM”)

The 2026 AGM will be held on Tuesday, 25 August 2026 at 10:30 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 2026 AGM to be held on Tuesday, 25 August 2026, the register of members of the Company will be closed from Thursday, 20 August 2026 to Tuesday, 25 August 2026, both days inclusive, during which no transfer of shares will be effected. In order to be eligible to attend and vote at the 2026 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 Wednesday, 19 August 2026. The record date for determining the entitlement of the Shareholders to attend and vote at the 2026 AGM will be on Tuesday, 25 August 2026.

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

Ng Jonathan Yee

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 29 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. Leung Wai Yan.