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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: 8122)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Thelloy Development Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

For the three months ended 30 June 2017 (the “Period”):

- Revenue of the Group was approximately HK\$148.2 million, representing an increase of approximately 116.1% as compared to the corresponding period in 2016.
- The Group recorded a profit attributable to owners of the Company for the Period of approximately HK\$10.5 million, representing an increase of profit of approximately HK\$10.3 million as compared to the corresponding period in 2016.
- The Board did not recommend the payment of a dividend for the Period.
- Basic earnings per share was approximately HK1.31 cents (2016: HK0.02 cents).

RESULTS

The board (the “Board”) of Directors of Thelloy Development Group Limited (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “Group”) for the Period, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Three months ended 30 June	
		2017	2016
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	148,169	68,555
Direct costs		(129,804)	(63,662)
Gross profit		18,365	4,893
Other income	5	67	19
Administrative expenses		(5,880)	(4,755)
Finance costs	6	(11)	(8)
Profit before taxation	7	12,541	149
Income tax expense	8	(2,069)	(25)
Profit and total comprehensive income for the period		<u>10,472</u>	<u>124</u>
Basic earnings per share	10	<u>HK1.31 cents</u>	<u>HK0.02 cents</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2017

	Share capital <i>HK\$'000</i>	Reserves			Total <i>HK\$'000</i>
		Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	
At 1 April 2017 (audited)	8,000	42,490	18,800	29,409	98,699
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,472</u>	<u>10,472</u>
At 30 June 2017 (unaudited)	<u>8,000</u>	<u>42,490</u>	<u>18,800</u>	<u>39,881</u>	<u>109,171</u>
At 1 April 2016 (audited)	8,000	42,490	18,800	4,442	73,732
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>124</u>	<u>124</u>
At 30 June 2016 (unaudited)	<u>8,000</u>	<u>42,490</u>	<u>18,800</u>	<u>4,566</u>	<u>73,856</u>

NOTES

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2013 Revision) Chapter 22 of the Cayman Islands on 28 May 2015 and its shares are listed on GEM on 9 October 2015. The address of the Company's registered office and the principal place of business are PO Box 309, Ugland House, Grand Cayman, Cayman Islands, KY1-1104 and Unit C, 21st Floor, Kings Tower, 111 King Lam Street, Kowloon, Hong Kong respectively.

The Group is principally engaged in property construction services in Hong Kong.

The condensed consolidated financial statements have not been audited by the Company's independent auditor, but have been reviewed by the audit committee of the Company ("Audit Committee").

The unaudited quarterly consolidated financial statements of the Group for the three months ended 30 June 2017 are presented in Hong Kong dollars ("HK\$"), which is same as the functional currency of the Company.

2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, these condensed consolidated financial statements included applicable disclosures required by the GEM Listing Rules and the Hong Kong Companies Ordinance. These unaudited quarterly condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 March 2017.

The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2017. The adoption of the new/amendments to HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

3. SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the construction services provided by the Group to external customers. The Group's operations are solely derived from construction services in Hong Kong. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies of the Group. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

No geographical information is presented as the Group's revenue is all derived from Hong Kong based on the location of services delivered.

4. REVENUE

An analysis of the Group's revenue recognised during the Period is as follows:

	Three months ended 30 June	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue		
Building construction	28,517	38,811
Repair, maintenance, alteration and addition ("RMAA") works	96,722	29,744
Design and build	22,930	–
	<u>148,169</u>	<u>68,555</u>
Total	<u>148,169</u>	<u>68,555</u>

5. OTHER INCOME

	Three months ended 30 June	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Bank interest income	<u>67</u>	<u>19</u>

6. FINANCE COSTS

	Three months ended 30 June	
	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on:		
– bank borrowings	3	–
– obligation under finance leases	8	8
	<u>11</u>	<u>8</u>

7. PROFIT BEFORE TAXATION

Three months ended 30 June
2017 2016
HK\$'000 **HK\$'000**
(Unaudited) (Unaudited)

Profit before taxation has been arrived at after charging:

Directors' remuneration	1,851	1,632
Staff costs		
– salaries and allowances	1,651	1,398
– retirement benefits scheme contributions	70	45
Total staff costs	3,572	3,075
Depreciation of plant and equipment	97	211
Operating lease rentals in respect of buildings	446	442

8. INCOME TAX EXPENSE

Three months ended 30 June
2017 2016
HK\$'000 **HK\$'000**
(Unaudited) (Unaudited)

Hong Kong Profits Tax-provision for the period	2,069	25
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Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for both periods.

9. DIVIDEND

The Directors did not recommend the payment of a dividend for both periods.

10. EARNINGS PER SHARE

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

Earnings

	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	<u>10,472</u>	<u>124</u>

Number of shares

	At 30 June	
	2017	2016
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>800,000</u>	<u>800,000</u>

No diluted earnings per share for both periods was presented as there were no potential ordinary shares in issue during both periods.

11. RELATED PARTY TRANSACTIONS

The Group had the following transaction with a related party during the Period:

	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Rental paid to a related company (<i>Note</i>)	<u>326</u>	<u>326</u>

Note: The related company is wholly owned by Mr. Lam Kin Wing Eddie ("Mr. Lam"), a director and the controlling shareholder of the Company.

12. COMMITMENTS

Commitments under operating leases

At 30 June 2017, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	At 30 June 2017 <i>HK\$'000</i> (Unaudited)	At 31 March 2017 <i>HK\$'000</i> (Audited)
Within one year	1,467	1,525
In the second to fifth year inclusive	<u>977</u>	<u>1,302</u>
	<u><u>2,444</u></u>	<u><u>2,827</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

During the Period, the Group kept focusing on its core contract works business, which includes building construction services and RMAA works services, as well as the design and build services which was commenced since the second half of the financial year ended 31 March 2017. Leveraging on the Group's registered general building contractor license and certain crucial qualifications including but not limited to (i) Group C (confirmed) Approved Contractor for Public Works – Building Category; (ii) Approved Suppliers of Materials and Specialist Contractors for Public Works – Repair and Restoration of Historic Building Category (for “Western Style Buildings only”); (iii) Housing Authority List of Building Contractor – Building (New Works) Category; and (iv) Housing Authority List of Building Contractors – Maintenance Works Category, the Group continuously awarded new projects during the Period.

During the Period, the Group was awarded a new project from the Architectural Services Department for construction works for a Special School for Student with Mild, Moderate and Severe Intellectual Disabilities in Tung Chung and the amount of the Tender was approximately HK\$268 million. Together with other projects awarded before, the Group has total projects on hand with unbilled contract sum in aggregate of over HK\$2 billion, which secured the revenue of the Group in the coming years.

The Group will keep focusing on its existing business and looking for appropriate projects that cope with the overall strategy of the Group. We will continue the strategy on further developing our RMAA services by increasing the Group's participation in tendering of building renovation/revitalization projects and maintaining the high standard of our work quality in this area. We will also continue to develop our building construction services and design and build services. The Directors consider that with the support of the Government's policies on housing, urban renewal and revitalization on old industrial buildings, the demand on services from the Group will keep increasing, and result in more business opportunities being presented to and secured by the Group.

With reference to the announcement of the Company dated 7 July 2017, the Company has submitted a formal application to the Stock Exchange on 7 July 2017 for the proposed transfer of listing from GEM to the main board of the Stock Exchange (the “Main Board”). The Board believes that the proposed transfer of listing will enhance the corporate profile of the Group, improve the trading liquidity of the shares of the Company and the Group's recognitions by potential investors. The Board considers that the listing on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Group.

Financial Review

Revenue

During the Period, revenue of the Group increased from approximately HK\$68.6 million to approximately HK\$148.2 million as compared to the corresponding period in 2016, representing an increase of approximately 116.1%. The increase was driven by the increase in revenue from RMAA services and design and build services, but partially offset by the slip in revenue from building construction services.

Revenue from building construction services for the Period decreased from approximately HK\$38.8 million to approximately HK\$28.5 million, due to the completion of certain major projects while new projects just commenced in an initial stage only during the Period. For the revenue from RMAA services, during the Period, it increased from approximately HK\$29.7 million to approximately HK\$96.7 million due to certain major projects commenced in the prior year and continuous to contribute revenue to the Group. The new revenue stream, design and build services, also contributed additional revenue of HK\$22.9 million during the Period.

Direct Costs

The Group's direct costs increased from approximately HK\$63.7 million for the three months ended 30 June 2016 to approximately HK\$129.8 million for the Period, representing an increase of approximately 103.9%. Such increase was in line with the increase of revenue during the Period.

Gross Profit

The Group's gross profit amounted to approximately HK\$18.4 million and HK\$4.9 million for the three months ended 30 June 2017 and 2016 respectively, representing a growth of approximately 275.3%. Such increase was mainly attributable to the increase in number of projects undertaken by the Group during the Period as compared to the corresponding period in 2016.

Other Income

The Group's other income amounted to approximately HK\$67,000 and HK\$19,000 for the three months ended 30 June 2017 and 2016 respectively, which was mainly due to the increase in bank interest income earned from the bank deposits during the Period.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$5.9 million and HK\$4.8 million for the three months ended 30 June 2017 and 2016 respectively, representing an increase of approximately 23.7%. Such increase was primarily due to the increase in total staff costs to support the business growth as well as professional fee incurred for the application for the proposed transfer of listing of the shares of the Company from GEM to Main Board on 7 July 2017.

Finance Costs

For the three months ended 30 June 2017 and 2016, the Group's finance costs amounted to approximately HK\$11,000 and HK\$8,000 respectively, and there was no significant changes as compared to the corresponding period in 2016.

Income Tax Expense

For the three months ended 30 June 2017 and 2016, the Group's income tax expense amounted to approximately HK\$2.1 million and HK\$0.03 million respectively, as a result of the increase in taxable profit for the Period.

Profit for the Period

As a result of the aforesaid, the profit and total comprehensive income attributable to owners of the Company increased from approximately HK\$0.1 million for the three months ended 30 June 2016 to approximately HK\$10.5 million for the Period, representing an increase of approximately HK\$10.4 million. Such increase was primarily attributable to the increase in both revenue and gross profit during the Period and a comparatively slight increase in the administrative expenses of the Group.

Dividend

The Board did not recommend the payment of a dividend for the Period (2016: nil).

Liquidity and Financial Resources

The Group maintained a sound financial position. As at 30 June 2017, the Group had a bank balances and cash (including pledged bank deposits) of approximately HK\$68.7 million (31 March 2017: approximately HK\$105.9 million). The total interest-bearing borrowings, including obligations under finance leases and short-term unsecured bank loan, of the Group as at 30 June 2017 was approximately HK\$1.0 million (31 March 2017: approximately HK\$0.6 million), and the current ratio as at 30 June 2017 was approximately 1.9 (31 March 2017: approximately 1.8).

Gearing Ratio

The gearing ratio of the Group as at 30 June 2017 was approximately 0.9% (31 March 2017: approximately 0.6%), which remained low as the Group was not in need of any material debt financing during the Period. The gearing ratio is calculated as total borrowings divided by total equity as at the respective periods.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. 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 30 June 2017, the Group had pledged bank deposits of approximately HK\$26.0 million (31 March 2017: approximately HK\$21.0 million) to secure the banking facilities granted to the Group. Save for the above, the Group did not have any charges on its assets.

Capital Structure

There has been no change in capital structure of the Company during the Period. The capital of the Company comprises ordinary shares and reserves.

Capital Commitment

As at 30 June 2017, the Group did not have any capital commitment (31 March 2017: Nil).

OTHER INFORMATION

Corporate Governance Code

The Company's corporate governance code are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules. The Company is committed to ensure a quality board and transparency and accountability to shareholders.

The Company complied with all code provisions in the CG Code throughout the Period, save for code provision A.2.1. The CG Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Lam serves as the chairman and also acts as chief executive of the Company, which constitutes a deviation from the code provision A.2.1.

The Board is of the view that vesting both roles in Mr. Lam will allow for more effective planning and execution of business strategies. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board believes that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

Code of Conduct Regarding Director's Securities Transactions

The Company has adopted a code of conduct regarding Director's securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made a specific enquiry by the Company, each of the Directors confirmed that he had complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the Period and up to the date of this announcement.

Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 June 2017, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Directors	Nature of interest	Number of Shares held	Percentage (%) of shareholding in the Company's issued share capital
Mr. Lam	Interest in controlled corporation (<i>Note 1</i>)	580,000,000	72.50
Mr. Chung Koon Man	Beneficial owner	2,000,000	0.25

Notes:

1. Mr. Lam beneficially owns 100% of the issued share capital of Cheers Mate Holding Limited ("Cheers Mate"). By virtue of the SFO, Mr. Lam is deemed to be interested in 580,000,000 Shares held by Cheers Mate.
2. All interests stated above are in long position.

Save as disclosed above, as at 30 June 2017, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

So far as the Directors are aware, as at 30 June 2017, the following persons (not being Directors or chief executive of the Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of Shareholders	Nature of interest	Number of Shares held	Percentage (%) of shareholding in the Company's issued share capital
Cheers Mate	Beneficial owner	580,000,000	72.50
Mr. Lam (<i>Note 1</i>)	Interest of a controlled corporation	580,000,000	72.50
Ms. Cheng Pui Wah Theresa (<i>Note 2</i>)	Interest of spouse	580,000,000	72.50

Notes:

- (1) Mr. Lam beneficially owns 100% of the issued share capital of Cheers Mate. By virtue of the SFO, Mr. Lam is deemed to be interested in 580,000,000 Shares held by Cheers Mate.
- (2) Ms. Cheng Pui Wah Theresa is the spouse of Mr. Lam. By virtue of the SFO, Ms. Cheng is deemed to be interested in the same number of Shares in which Mr. Lam is deemed to be interested under the SFO.
- (3) All interests stated above are in long position.

Save as disclosed above, as at 30 June 2017, the Directors were not aware of any other persons or corporations who had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Directors' Rights to Acquire Shares or Debenture

At no time during the Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

Purchase, Sale or Redemption of the Company's Listed Securities

The Company did not redeem any of its listed Shares during the Period, nor did the Company or any of its subsidiaries purchase or sell any such Shares during the Period.

Directors' Interests in Competing Interests

During the Period, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

Interest of Compliance Adviser

As notified by the Company's compliance adviser, as at 30 June 2017, Anglo Chinese Corporate Finance Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 24 September 2015, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Subsequent Event

The Company has submitted a formal application to the Stock Exchange on 7 July 2017 for the proposed transfer of the listing of Shares from GEM to the Main Board pursuant to Chapter 9A of the Rules Governing the Listing of the Securities on the Stock Exchange.

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

Pre-Emptive Rights

No provision for pre-emptive rights under the Company's articles of association or under the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

Share Option Scheme

The Company conditionally approved and adopted a share option scheme on 22 September 2015 (the "Scheme"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

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

Audit Committee

The Company has set up an Audit Committee on 22 September 2015 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The duties of the Audit Committee are to 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 continuing connected transactions. The Audit Committee comprises all three independent non-executive Directors, namely Mr. Tse Ting Kwan, who is the chairman of the Audit Committee, Mr. Tang Chi Wang and Mr. Wong Kwong On. The unaudited condensed consolidated financial statements of the Group for the Period 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 GEM Listing Rules and legal requirements, and adequate disclosures have been made.

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

Hong Kong, 10 August 2017

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

This announcement will remain in the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at www.thelloy.com.