
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in THELLOY DEVELOPMENT GROUP LIMITED (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)****PROPOSALS FOR**

- (1) GRANTING OF GENERAL MANDATES TO
ISSUE AND REPURCHASE SHARES;**
- (2) EXTENSION OF ISSUE MANDATE;**
- (3) RE-ELECTION OF RETIRING DIRECTORS;**
- (4) DECLARATION OF FINAL DIVIDEND;**
- (5) RE-APPOINTMENT OF INDEPENDENT AUDITOR; AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “2019 AGM”) to be held at 1/F., 180–182 Hennessy Road, Wanchai, Hong Kong on 15 August 2019 (Thursday) at 11:00 a.m. is set out on pages 16 to 21 of this circular. A form of proxy for use in connection with the 2019 AGM is enclosed with this circular.

If you are not able to attend the 2019 AGM but wish to exercise your right as a shareholder of the Company, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the 2019 AGM or its adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2019 AGM or its adjournment should you so wish. If you attend and vote at the 2019 AGM, the authority of your proxy will be revoked.

12 July 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“2019 AGM”	the annual general meeting of the Company to be held at 1/F., 180–182 Hennessy Road, Wanchai, Hong Kong on 15 August 2019 (Thursday) at 11:00 a.m. to consider and, if thought fit, approve the resolutions contained in the notice convening the 2019 AGM, which is set out on pages 16 to 21 of this circular
“AGM”	the annual general meeting of the Company
“Board”	the board of Directors
“Articles”	the articles of association of the Company, as amended from time to time
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
“Company”	Thelloy Development Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed and traded on the main board of the Stock Exchange (Stock code: 1546)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Auditor”	independent auditor of the Group
“Issue Mandate”	the general and unconditional mandate proposed to be granted at the 2019 AGM to the Directors to allot, issue and deal with the Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the relevant resolution for approving the issue mandate
“Latest Practicable Date”	8 July 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Member(s) or “Shareholder(s)”	holder(s) of the Share(s)
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China and, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted at the 2019 AGM to the Directors to repurchase Shares not exceeding 10% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting the mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs as amended, supplemented or otherwise modified from time to time and administrated by the Securities and Futures Commission of Hong Kong
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent. or percentage

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Lam Kin Wing Eddie (*Chairman*)
Mr. Chung Koon Man
Mr. Shut Yu Hang

Registered office:

PO Box 309
Ugland House
Grand Cayman
Cayman Islands, KY1-1104

Independent Non-Executive Directors:

Mr. Tang Chi Wang
Mr. Tse Ting Kwan
Mr. Wong Kwong On

*Head office and Principal place of
business in Hong Kong:*

2/F, Centre 600,
82 King Lam Street,
Lai Chi Kok,
Kowloon, Hong Kong

12 July 2019

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GRANTING OF GENERAL MANDATES TO
ISSUE AND REPURCHASE SHARES;
(2) EXTENSION OF ISSUE MANDATE;
(3) RE-ELECTION OF RETIRING DIRECTORS;
(4) DECLARATION OF FINAL DIVIDEND;
(5) RE-APPOINTMENT OF INDEPENDENT AUDITOR; AND
NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the 2019 AGM for, among other matters, (i) the granting of the Issue Mandate; (ii) the granting of the Repurchase Mandate; (iii) the extension of the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate; (iv) the re-election of the retiring Directors; (v) the declaration of final dividend; and (vi) the re-appointment of Independent Auditor, and to give the Shareholders notice of the 2019 AGM at which the ordinary resolutions as set out in the notice of the 2019 AGM will be proposed.

LETTER FROM THE BOARD

2. GRANTING OF THE ISSUE MANDATE AND THE REPURCHASE MANDATE

At the 2019 AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the Issue Mandate and the Repurchase Mandate.

Issue Mandate

The Company's existing mandate to issue Shares was approved by its Shareholders at the Company's AGM held on 2 August 2018. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the 2019 AGM.

An ordinary resolution will be proposed at the 2019 AGM to grant the Issue Mandate to the Directors. Based on 800,000,000 issued Shares as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the 2019 AGM, the Directors will be able to allot, issue and deal with up to a total of 160,000,000 Shares if the Issue Mandate is granted at the 2019 AGM, which will remain in effect until the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Articles, the Companies Law or any applicable laws of the Cayman Islands; and (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Repurchase Mandate

An ordinary resolution will be proposed at the 2019 AGM to grant the Repurchase Mandate to the Directors. The Repurchase Mandate, if granted, will be effective until whichever is the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Articles, the Companies Law or any applicable laws of the Cayman Islands; and (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

LETTER FROM THE BOARD

3. EXTENSION OF ISSUE MANDATE

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the 2019 AGM to extend the Issue Mandate by the addition to the aggregate number of the issued Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares repurchased by the Company pursuant to the Repurchase Mandate provided that such number of shares shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing the resolution for approving the Issue Mandate.

4. RE-ELECTION OF RETIRING DIRECTORS

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

Pursuant to Article 16.18 of the Articles, at every AGM one-third of the Directors for the time being shall retire from office by relation provided that every Director shall be subject to retirement by rotation at least once every three years.

Accordingly, Mr. Chung Koon Man and Mr. Wong Kwong On shall retire from office by rotation at the 2019 AGM and both of them, being eligible, have offered themselves for re-election.

The Nomination Committee has assessed and reviewed the annual written confirmation of independence from Mr. Tang Chi Wang, Mr. Tse Ting Kwan and Mr. Wong Kwong On, all are independent non-executive Directors who held such office throughout the year ended 31 March 2019, upon their appointment of such offices, based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that they all remain independent. Upon the nomination of the Nomination Committee, the Board has recommended that all the retiring Directors, namely, Mr. Chung Koon Man and Mr. Wong Kwong On to stand for re-election as Directors at the 2019 AGM.

The biographical details of the retiring Directors proposed to be re-elected at the 2019 AGM are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

LETTER FROM THE BOARD

5. DECLARATION OF FINAL DIVIDEND

The Board has proposed a final dividend of HK2.5 cents per Share for the year ended 31 March 2019. Subject to the approval of the Shareholders at the 2019 AGM, the proposed final dividend will be payable on Tuesday, 17 September 2019 to the Shareholders whose names appear on the register of members of the Company on Tuesday, 27 August 2019.

6. RE-APPOINTMENT OF INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu, which has audited the consolidated financial statements of the Company for the year ended 31 March 2019, will retire as the Independent Auditor at the 2019 AGM and, being eligible, offer itself for re-appointment. The Board proposed to re-appoint Deloitte Touche Tohmatsu as the Independent Auditor to hold office until the conclusion of the next AGM and authorise the Board to fix its remuneration.

7. 2019 AGM AND PROXY ARRANGEMENT

A notice convening the 2019 AGM to be held at 1/F., 180–182 Hennessy Road, Wanchai, Hong Kong on Thursday, 15 August 2019 at 11:00 a.m. is set out on pages 16 to 21 of this circular. Ordinary resolutions will be proposed at the 2019 AGM to approve, among other matters, (i) the Issue Mandate, (ii) the Repurchase Mandate, (iii) the extension of the Issue Mandate by the addition thereto of the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate, (iv) the re-election of the retiring Directors, (v) the declaration of final dividend and (vi) the re-appointment of Independent Auditor.

A form of proxy for use in connection with the 2019 AGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange at www.hkexnews.hk and the Company at www.thelloy.com. If you are not able to attend the 2019 AGM but wish to exercise your right as a Shareholder, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the 2019 AGM or its adjournment. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the 2019 AGM or its adjournment. If the Shareholder attends and votes at the 2019 AGM, the authority of his/her/its proxy will be revoked.

LETTER FROM THE BOARD

8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all proposed resolutions set out in the notice convening the 2019 AGM shall be voted on by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

9. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein, includes particulars given in compliance with the 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 circular 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 circular misleading.

10. RECOMMENDATION

The Directors believe that the proposals for (i) the granting of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate; (iii) the re-election of retiring Directors; (iv) the declaration of final dividend; and (v) the re-appointment of the Independent Auditor are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed convening the 2019 AGM as set out in the notice of the 2019 AGM on pages 16 to 21 of this circular.

11. MISCELLANEOUS

Your attention is drawn to the additional information set out in the Appendices to this circular, namely Appendix I – Explanatory Statement on the Repurchase Mandate; and Appendix II – Biographical Details of the Retiring Directors proposed to be re-elected at the 2019 AGM.

Yours faithfully
For and on behalf of the Board
Theloy Development Group Limited
Lam Kin Wing Eddie
Chairman and Executive Director

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to Shareholders for consideration of the proposed grant of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling his/her/its securities to the Company.

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, no core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders at the 2019 AGM.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 800,000,000 issued Shares.

Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the 2019 AGM, the Directors would be authorised to repurchase up to a maximum of 80,000,000 Shares, representing 10% of the issued Shares as at the date of the 2019 AGM. The Repurchase Mandate will remain in effect until the earliest of: (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required to be held by the Articles, the Companies Law or any applicable laws of the Cayman Islands; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

3. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the applicable law and regulations of the Cayman Islands and the Listing Rules, the memorandum of association of the Company and the Articles for such purpose.

5. IMPACT ON WORKING CAPITAL OR GEARING POSITION

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with those as at 31 March 2019, being the date of its latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

6. SHARE PRICES

The highest and lowest market prices at which the Shares were traded on the Stock Exchange during each of twelve months before the Latest Practicable Date were as follows:

	Trade Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
July	0.810	0.660
August	0.730	0.540
September	0.610	0.520
October	0.560	0.480
November	0.560	0.465
December	0.560	0.470
2019		
January	0.520	0.460
February	0.560	0.490
March	0.620	0.540
April	0.710	0.600
May	0.660	0.470
June (up to the Latest Practicable Date)	0.540	0.440

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

7. DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the 2019 AGM.

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles.

8. EFFECT OF TAKEOVER CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company's exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such an increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, the Directors are not aware of any such consequence which may arise under the Takeovers Code if the Repurchase Mandate is exercised. As at the Latest Practicable Date and to the best of knowledge and belief of the Company, the following persons were directly or indirectly interested in 5% or more of the nominal value of the issued Shares that carry a right to vote in all circumstances at general meetings of the Company:

Name of shareholders	Nature of interests	Number of Shares held	Percentage of shareholding in the Company's issued share capital
Cheers Mate Holding Limited	Beneficial owner	580,000,000 (L)	72.5%
Mr. Lam Kin Wing Eddie <i>(Note 1)</i>	Interest of a controlled corporation	580,000,000 (L)	72.5%
Ms. Cheng Pui Wah Theresa <i>(Note 2)</i>	Interest of spouse	580,000,000 (L)	72.5%

(L) denotes long position

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Notes:

- (1) Mr. Lam Kin Wing Eddie beneficially owns 100% of the issued share capital of Cheers Mate Holding Limited. By virtue of the SFO, Mr. Lam is deemed to be interested in 580,000,000 Shares held by Cheers Mate Holding Limited.
- (2) Ms. Cheng, Pui Wah Theresa is the spouse of Mr. Lam Kin Wing Eddie. By virtue of the SFO, Ms. Cheng is deemed to be interested in the same number of Shares in which Mr. Lam Kin Wing Eddie is deemed to be interested under the SFO.

Therefore, Mr. Lam Kin Wing Eddie, together with his close associates as above-stated, was taken to be interested in the Shares as above-listed, and was a substantial Shareholder of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full and assuming that there is no change in the issued share capital of the Company and the number of Shares held by Mr. Lam, together with his close associates as above-stated, remains unchanged, the interests of Mr. Lam and his close associates as above-stated in the issued share capital of the Company would be increased to approximately 80.56% and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

On the basis of the current shareholdings of the above Shareholders, an exercise of the Repurchase Mandate in full will not result in any of them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholders, or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25% as required by the Listing Rules. Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made pursuant to the Repurchase Mandate.

9. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately prior to the Latest Practicable Date.

10. CORE CONNECTED PERSON

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**APPENDIX II BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS
PROPOSED TO BE RE-ELECTED AT THE 2019 AGM**

The biographical details of the Directors who will retire from office at the 2019 AGM and being eligible, will offer themselves for re-election at the 2019 AGM, are set out below:

Save as disclosed herein, each of the following retiring Directors proposed for the re-election:

- (a) does not hold any other directorship in listed public companies in the last three years;
- (b) does not have any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations required to be disclosed pursuant to Part XV of the SFO; and
- (c) does not hold any other positions with the Company or any of its subsidiaries nor does he/her has any other relationship with any Directors, senior management, substantial shareholder or controlling shareholder of the Company.

In addition, there are no other matters that need to be brought to the attention of the Shareholders nor is there other information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules in respect of each of the following retiring Directors proposed to be re-elected at the 2019 AGM.

Mr. Chung Koon Man

Mr. Chung Koon Man, aged 60, first joined the Group upon his appointment as an executive Director on 14 April 2016. He is a member of each of the Remuneration Committee and Nomination Committee. He graduated from the University of London in 1983 and is a member of The Hong Kong Institution of Engineer; fellow member of the Hong Kong Institute of Construction Managers and member of The Institution of Structural Engineers United Kingdom. Prior to joining the Company, Mr. Chung served for over three decades in various construction corporations in Hong Kong and overseas. Mr. Chung was the deputy managing director and the technical director of China Resources Construction Company Limited (currently known as CR Construction Company Limited) from January 2008 to January 2014 as well as the deputy managing director of China Resources Property Limited from May 2011 to February 2016. In addition, Mr. Chung was appointed as the Director of Hong Kong Quality Assurance Agent from December 2015 to November 2019, the President of the Society of Builders, Hong Kong since 2016, and Honorary President of Hong Kong Institute of Construction Manager since 2018.

APPENDIX II BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2019 AGM

Mr. Chung has entered into a service agreement with the Company for an initial term of three years and renewable automatically for successive terms of one year each, unless terminated by either party by giving not less than six months' prior written notice, and he is subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Articles.

Mr. Chung is the beneficial owner of 2,000,000 Shares.

Mr. Chung is entitled to a basic salary of HK\$3,000,000 per annum plus a discretionary bonus to be determined by the Board with reference to the performance of the Group. The emoluments of Mr. Chung are determined by the Board based on the recommendation of the Remuneration Committee and with regard to the prevailing market conditions and his duties and responsibilities as an executive Director.

Mr. Wong Kwong On

Mr. Wong Kwong On, aged 60, was appointed as an independent non-executive Director on 22 September 2015. He is the chairman of the Remuneration Committee and a member of the audit committee of the Board.

Mr. Wong has various experience in the building and civil construction industry of Hong Kong. From May 1990 to May 1995, Mr. Wong worked as a quantity surveyor for the following construction companies:

- (i) Shui On Construction Company Limited (from May 1990 to March 1991);
- (ii) Gitanes Engineering Company Limited (from March 1991 to November 1991); and
- (iii) Shui On Civil Contractors Limited (from November 1991 to February 1992 and from January 1993 to May 1995).

His responsibilities as a quantity surveyor included contract administration and provision of contractual advice to projects which he was involved in.

From January 2001 to May 2011, he became the director of Consultant Associates (H.K.) Limited, a construction claim consultant company. Since May 2011, Mr. Wong started practising as a solicitor of Chan & Associates and since June 2013, he has been working as the principal of the law firm Wong & Lawyers and is responsible for overseeing the operation of the firm.

APPENDIX II BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE 2019 AGM

Mr. Wong was admitted a member of The Hong Kong Institute of Surveyors in March 1986, a member of the Chartered Institute of Building in August 1994, a fellow member of the Chartered Institute of Arbitrators in January 1995 and a solicitor of the High Court of Hong Kong in June 2000.

Mr. Wong obtained an Associateship in Building Technology and Management in November 1983 and a Diploma in Management Studies in November 1988 from The Hong Kong Polytechnic (now renamed The Hong Kong Polytechnic University), a Postgraduate Certificate in Hong Kong Law from the City Polytechnic of Hong Kong (now renamed the City University of Hong Kong) in November 1992, a Master of Arts in Arbitration and Dispute Resolution in November 1995 from City University of Hong Kong, a Bachelor of Laws from the University of Wolverhampton in October 1996 and a Postgraduate Certificate in Laws in June 1998 from the University of Hong Kong.

Mr. Wong has been appointed for a term of three years and is subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles.

Mr. Wong is entitled to receive a fixed director's fee amounted to HK\$216,000 per annum. Mr. Wong is also eligible to participate in the share option scheme of the Company. The emoluments of Mr. Wong are determined by the Board with reference to his duties and responsibilities with the Company and the Company's remuneration policy and are subject to review by the Board from time to time.

The Board would consider to enhance its diversity with different expertise when re-electing an independent non-executive Director. Mr. Wong Kwong On has confirmed his independence pursuant to Rule 3.13 of the Listing Rules. He has legal experience and various experience in the building and civil construction industry of Hong Kong that is relevant to the Group's business. The Board considers Mr. Wong Kwong On is independent and can bring further contribution to the Board and its diversity.

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of THELLOY DEVELOPMENT GROUP LIMITED 德萊建業集團有限公司 (the “**Company**”) will be held at 1/F., 180–182 Hennessy Road, Wanchai, Hong Kong on 15 August 2019 (Thursday) at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and adopt the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and the independent auditor of the Company (the “**Independent Auditor**”) for the year ended 31 March 2019;
2.
 - (a) To re-elect Mr. Chung Koon Man as an executive Director;
 - (b) To re-elect Mr. Wong Kwong On as an independent non-executive Director; and
 - (c) To authorize the board of Directors (the “**Board**”) to fix the remuneration of each of the Directors;
3. To declare a final dividend of HK2.5 cents per Share for the year ended 31 March 2019;
4. To re-appoint Deloitte Touche Tohmatsu as the Independent Auditor to hold office until the conclusion of the next annual general meeting and authorise the Board to fix its remuneration;

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As special business to consider and, if thought fit, pass with or without modification, the following resolutions as Ordinary Resolutions:

5. **“THAT:**
- (a) subject to paragraph (c) of this Resolution below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**), the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company (the **“Shares”**) or securities convertible into or exchangeable for the Shares, or options or warrants for similar rights to subscribe for any Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this Resolution above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company (the **“Articles”**) in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription, conversion or exchange under the terms of any warrants of the Company or any securities which are convertible into or exchange for Shares, shall not exceed the aggregate of:
 - (aa) 20% of the aggregate number of Shares as at the date of the passing of this Resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company (the **“Shareholders”**) the aggregate number of any Shares repurchased by the Company subsequent to the

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passing of this Resolution (up to a maximum equivalent to 10% of the aggregate number of Shares as at the date of the passing of this Resolution),

and the authority pursuant to paragraph (a) of this Resolution above shall be limited accordingly; and

(d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (as amended, supplemented or otherwise modified from time to time) (the “**Companies Law**”) or any other applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this Resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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6. **“THAT:**

- (a) subject to paragraph (b) of this Resolution below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as defined below) of all powers of the Company to purchase shares in the share capital of the Company (the **“Shares”**) on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong (the **“Commission”**) and the Stock Exchange under the Hong Kong Code on Share Buy-backs administered by the Commission for such purpose, and otherwise in accordance with the rules and regulations of the Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of the Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law or any other applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this Resolution.”

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7. “**THAT** subject to the passing of Resolutions no. 5 and 6 set out in the notice convening the annual general meeting of the Company (the “**Notice**”), the authority of the directors of the Company pursuant to Resolution no. 5 set out in the Notice be and is hereby approved to extend to cover such amount representing the aggregate number of the issued Shares repurchased pursuant to the authority granted pursuant to Resolution no. 6 set out in the Notice.”

By Order of the Board
Theloy Development Group Limited
Lam Kin Wing Eddie
Chairman and executive Director

Hong Kong, 12 July 2019

Registered office:

PO Box 309
Ugland House
Grand Cayman
Cayman Islands, KY1-1104

Head office and principal place of

business in Hong Kong:
2/F, Centre 600,
82 King Lam Street,
Lai Chi Kok,
Kowloon, Hong Kong

Notes:

1. A member of the Company (the “**Member**”) entitled to attend and vote at the annual general meeting of the Company (the “**AGM**”) convened by the above Notice or its adjourned meeting (as the case may be) is entitled to appoint one or more proxies to attend and, subject to the provisions of the Articles, to vote on his/her/its behalf. A proxy need not be a Member but must be present in person at the AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time for holding the AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the AGM or its adjourned meeting should he/she/it so wish.
3. Where there are joint holders of any Share, any one of such joint holders may vote at the AGM, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto; but should more than one of such joint holders be present at the AGM in person or by proxy, that one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.

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4. For determining Members' entitlement to attend and vote at the AGM, the register of Members will be closed between 12 August 2019 (Monday) and 15 August 2019 (Thursday) (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 9 August 2019 (Friday).
5. In order to ascertain the entitlement to the final dividend, the register of members of the Company will be closed from 22 August 2019 (Thursday) to 27 August 2019 (Tuesday), both days inclusive. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 21 August 2019 (Wednesday).
6. In relation to the proposed Resolution no. 4 above, the Board concurs with the views of the Audit Committee of the Company and has recommended that Deloitte Touche Tohmatsu be re-appointed as the Independent Auditor.
7. In relation to proposed Resolutions nos. 5 and 7 above, approval is being sought from the Members for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares.
8. In relation to proposed Resolution no. 6 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they consider appropriate for the benefit of the Members as a whole. An explanatory statement containing the information necessary to enable the Members to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I of the circular of the Company dated 12 July 2019.
9. According to Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in this notice will be taken by a poll.