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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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of Thelloy Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited financial information of the Group for the six months ended 30 September 2021 (the “**Period**”), the Group is expected to record a net loss of not more than HK\$8.0 million for the Period compared with the net profit of approximately HK\$9.0 million for the six month ended 30 September 2020 (the “**Previous Period**”). The turnaround in the results for the Period was mainly attributable to (i) the recognition of a one-off gain resulting from the settlement of an arbitration proceeding against a customer and reversal of impairment losses on trade and other receivables and contract assets in the Previous Period which did not recur for the Period; (ii) a decrease in other income as a result of absence of subsidies of the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Government; and (iii) an increase in administrative expenses mainly due to the increase in staff costs and research and development costs.

As the Group is still in the course of finalising the interim results for the Period, the information contained in this announcement is only based on the Board's preliminary assessment of information currently available to it including but not limited to the unaudited draft consolidated management accounts of the Group for the Period, which have not been audited by the independent auditor of the Company nor reviewed by the audit committee of the Board as at the date of this announcement, and is subject to adjustments upon further review.

Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Period which is expected to be published by the end of November 2021.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 November 2021

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.