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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)

## VOLUNTARY ANNOUNCEMENT

### FORMATION OF A JOINT VENTURE

This announcement is made by Thelloy Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

#### THE JOINT VENTURE

The board of directors (the “**Board**”) of the Company is pleased to announce that on 8 April 2019, the Group and Nova Deko Modular Building Co., Ltd. (“**Nova Deko HK**”) agreed to form a joint venture (“**Joint Venture**”) pursuant to which the parties shall form a joint venture company (“**JV Company**”) in Hong Kong owned as to 51% by the Group and 49% by Nova Deko HK.

Pursuant to the agreement between the Group and Nova Deko HK, the JV Company shall operate the business of steel-related modular integrated construction projects in Hong Kong and other jurisdictions as may be agreed between the parties from time to time.

#### REASONS FOR AND BENEFITS OF THE JOINT VENTURE

While the Group is an established main contractor in Hong Kong focusing on providing building construction, repair, maintenance, alteration and addition (“**RMAA**”) works, and design and build services, Nova Deko HK is a member of a corporate group that designs and erects units for modular integrated construction (“**MIC**”) under the brand name of “Nova Deko”, and provides modular housing solutions, which is a construction method involving constructing the sections away from the building site and subsequently installing the prefabricated sections on site. Through the synergy created by the parties in the supply chain, the Board believes the cooperation can expand the Group’s supplier network in providing steel-related modular housing solutions and strengthen the Group’s market position in the construction industry.

The Board also believes that by leveraging on the expertise of Nova Deko HK in steel-related modular construction techniques, the cooperation with Nova Deko HK will enhance the Group's competitive advantage in submitting tenders for construction projects in Hong Kong, which is beneficial to the future growth and business development of the Group.

## **INFORMATION ON THE GROUP AND NOVA DEKO HK**

The Group engages in contract works business, which includes building construction, RMAA works services and design and build services.

Founded in 2004, Nova Deko HK belongs to a corporate group which engages in manufacturing affordable innovating modular housing solutions across the world, and designs and erects units for MIC under the brand name of "Nova Deko". It is also one of the five companies receiving in-principle approval from the Buildings Department of the Government of the Hong Kong Special Administrative Region on steel MIC systems.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, Nova Deko HK is an independent third party (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

## **LISTING RULES IMPLICATIONS**

As none of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the formation of the Joint Venture exceeds 5%, the formation of the Joint Venture does not constitute a notifiable transaction under Chapter 14 of the Listing Rules and this announcement is made by the Company on a voluntary basis.

**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 and Executive Director*

Hong Kong, 9 April 2019

*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.*