

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

Mr. Shut Yu Hang

Mr. Lam Arthur Chi Ping

Registered office:

PO Box 309

Ugland House

Grand Cayman

KY1-1104, Cayman Islands

Independent Non-executive Directors:

Mr. Tang Chi Wang

Mr. Tse Ting Kwan

Mr. Wong Kwong On

Ms. Yeung Cheuk Chi Vivian

Principal place of business in

Hong Kong:

19/F, The Globe,

79 Wing Hong Street,

Lai Chi Kok, Kowloon,

Hong Kong

20 March 2026

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF WORLD NEXUS HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
THELLOY DEVELOPMENT GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND
THE OFFEROR CONCERT PARTIES)**

INTRODUCTION

References are made to the Joint Announcements whereby the Offeror and the Company jointly issued on 28 January 2026 and 12 February 2026 in relation to, among other things, the Sale and Purchase Agreement and the Offer. Unless otherwise specified, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

As disclosed in the Joint Announcements, the Company was informed by the Vendor and the Offeror that on 23 January 2026 (before trading hours), the Vendor, Mr. Lam and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase an aggregate of 500,800,000 Sale Shares, representing 62.6% of the total issued shares of the Company as at the Latest Practicable Date. The total consideration for the Sale Shares was HK\$95,152,000, which was equivalent to HK\$0.19 per Sale Share. It was paid by the Offeror's internal resources provided by the resources of its shareholders, which was not borrowed from or provided by any third parties. Completion took place on 12 February 2026.

As at the Latest Practicable Date, the Company has 800,000,000 Shares in issue, and save for the Shares, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Immediately prior to the Completion, none of the Offeror and the Offeror Concert Parties held, owned, controlled or had the right of direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after the Completion, the Offeror and the Offeror Concert Parties are interested in a total of 500,800,000 Shares, representing 62.6% of the total issued shares of the Company as at the Latest Practicable Date.

Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and the Offeror Concert Parties).

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) the details of the Offer (including the expected timetable and the terms of the Offer); (ii) the letter from Lego Securities containing details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; (iv) the letter from the Joint Independent Financial Advisers containing their advice to the Independent Board Committee and the Independent Shareholders on whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and on acceptance in respect of the Offer; and (v) further information relating to the Group and the Offeror, together with the Form of Acceptance.

INDEPENDENT BOARD COMMITTEE AND JOINT INDEPENDENT FINANCIAL ADVISERS

Under Rule 2.1 and Rule 2.8 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to the acceptance.

As disclosed in the announcement of the Company dated 12 March 2026, Mr. Wong Kwong On (being an independent non-executive Director) has informed the Company that, due to recent developments, it has come to his attention that his law firm represents certain clients, who are independent third parties to the Company, in on-going legal disputes involving claims against companies controlled by Mr. Ng and his family, Mr. Choi and Mr. Soong. Mr. Wong Kwong On has therefore ceased to be a member of the Independent Board Committee.

The Independent Board Committee, comprising all the remaining independent non-executive Directors (namely Mr. Tang Chi Wang, Mr. Tse Ting Kwan and Ms. Yeung Cheuk Chi Vivian) has been established for the purpose of making recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

With the approval of the Independent Board Committee, Cinda International and Rainbow Capital have been appointed by the Company as the Joint Independent Financial Advisers to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

The full text of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Joint Independent Financial Advisers addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document. **You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

MANDATORY UNCONDITIONAL CASH OFFER

As disclosed in the “Letter from Lego Securities” in this Composite Document, Lego Securities, for and on behalf of the Offeror, is making the Offer to acquire all the Offer Shares (other than those already owned and/or agreed to be acquired by the Offeror and the Offeror Concert Parties) in compliance with the Takeovers Code and on the terms set out in this Composite Document and the Form of Acceptance on the following basis:

The Offer

Offer Price for each Offer Share HK\$0.19 in cash

The Company confirms that as at the Latest Practicable Date, (i) the Company had not declared any dividend which remains unpaid; and (ii) it did not have any intention to make, declare or pay any future dividend/make other distributions on or before the close of the Offer.

Further details of the Offer are set out under the section headed “Letter from Lego Securities” and Appendix I to this Composite Document and the accompanying Form of Acceptance, which together set out the terms and conditions of the Offer and certain related information.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are currently listed on the Main Board of the Stock Exchange (stock code: 1546). The Group is principally engaged in the provision of (i) building construction services; (ii) repair, maintenance, alteration and addition works services; and (iii) design and build services in Hong Kong as main contractor.

Pursuant to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of the Independent Shareholders to the existence of a material uncertainty related to the Group's ability to continue as a going concern as at 31 March 2025 as set out in the annual report of the Company for the year ended 31 March 2025, the details of which are disclosed in Appendix II to this Composite Document.

The material uncertainty relating to the “going concern” basis of the Company means that the Independent Shareholders are advised to take into account the foregoing and consider carefully the terms of the Offer. If the Independent Shareholders decide not to accept the Offer, they should be aware of the potential risks associated with the material uncertainty in respect of the “going concern” issue.

Your attention is drawn to Appendices II and III to this Composite Document which contain further financial and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to the Completion; and (ii) after the Completion and as at the Latest Practicable Date:

Shareholders	Immediately prior to the Completion		After the Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Offeror and the Offeror Concert Parties (1)	–	–	500,800,000	62.6
Cheers Mate (2)	580,000,000	72.5	79,200,000	9.9
Other public Shareholders	<u>220,000,000</u>	<u>27.5</u>	<u>220,000,000</u>	<u>27.5</u>
Total	<u>800,000,000</u>	<u>100</u>	<u>800,000,000</u>	<u>100</u>

Notes:

1. The Offeror is incorporated in the British Virgin Islands with limited liability, and is an investment holding company ultimately beneficially owned as to 60% by Mr. Ng, 20% by Mr. Choi and 20% by Mr. Soong, respectively.
2. Mr. Lam beneficially owns 100% of the issued shares of Cheers Mate. By virtue of the SFO, Mr. Lam is deemed to be interested in the Shares held by Cheers Mate.
3. As at the Latest Practicable Date, save for Mr. Lam, no other Director holds any interest in the Shares.

Your attention is also drawn to Appendices II and III to this Composite Document which contain the financial information and general information of the Group, respectively.

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the paragraph headed “Intention of the Offeror on the Group” in the “Letter from Lego Securities” in this Composite Document.

The Board is pleased to note the intention of the Offeror in respect of the Group as disclosed. The Board is willing to cooperate with the Offeror for the best interests of the Company and its Shareholders as a whole.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that:

- (a) if, at the close of the offer, the Stock Exchange believes that: –
 - a false market exists or may exist in the trading of the shares; or
 - an orderly market does not exist or may not exist;it will consider exercising its discretion to suspend dealings in the shares; and
- (b) if, at the close of the offer, the listed issuer has a Significant Public Float Shortfall (as defined in rule 13.32F), then: –
 - the Stock Exchange will add a designated marker to the stock name of the listed shares; and
 - the Stock Exchange will cancel the listing of the issuer’s shares if the issuer fails to re-comply with rule 13.32B for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

As stated in the “Letter from Lego Securities” in this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The directors of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of rule 13.32B, they will take appropriate steps to ensure the Company’s compliance with rule 13.32B at the earliest possible moment, such as disposal of Shares held by the Offeror and the Offeror Concert Parties and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

RECOMMENDATIONS

None of the members of the Independent Board Committee is interested in or involved in the Offer.

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on pages 27 to 28 of this Composite Document, which contains its recommendation to the Independent Shareholders in respect of the Offer; and (ii) the letter from the Joint Independent Financial Advisers as set out on pages 29 to 52 of this Composite Document, which contains their advice to the Independent Board Committee and the Independent Shareholders in relation to the Offer and the principal factors considered by them before arriving at their recommendation.

ADDITIONAL INFORMATION

You are advised to read the “Letter from Lego Securities” in this Composite Document. Your attention is also drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully “Further terms and procedures for acceptance of the Offer” set out in Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,

For and on behalf of the Board

Theloy Development Group Limited

A handwritten signature in black ink, appearing to read 'Lam Kin Wing Eddie', with a long horizontal stroke extending to the right.

Lam Kin Wing Eddie

Chairman and Executive Director