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## **KRP Development Holdings Limited**

**嘉創房地產控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2421)**

### **PROFIT WARNING**

This announcement is made by KRP Development Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on preliminary review of the Group’s unaudited consolidated management accounts for the six months ended 30 September 2023 and the information currently available, it is expected that the profit attributable to the equity shareholders of the Company will decrease by approximately 80% as compared to the same period last year. Such decrease was mainly attributable to (i) the inevitable reduction in property sales due to the current instability of the real estate market and other external factors; and (ii) the decrease in the fair value of the investment properties owned by the Group.

Despite the trend of a decline in profits, our profitability remains robust with no losses incurred. Furthermore, the Company has always maintained a sound financial condition since its listing. We have consistently preserved a healthy net cash position, with no significant borrowings or outstanding loans.

The quality of our property projects is reliable, with all projects currently for sale having been completed. This not only fully protects the interests of our clients but also demonstrates our commitment to quality and responsibility towards our customers. Our projects leverage the strategic positioning of the “three old renovations” policy, enabling us to maintain a high gross profit margin in the current unfavorable market environment.

Looking ahead, we will continue to maintain our confidence and perseverance in the face of adversity, uphold our excellent business philosophy, and create value for our Shareholders. In the second half of the 2023/24 fiscal year, we expect to deliver at least 30 units, which have been pre-sold prior to 30 September 2023. Upon delivery, we anticipate generating considerable amount of revenue approximately RMB100 million. We will adhere to our sound financial condition and continuously explore diversified business models. We are also actively responding to the government’s rural revitalization policy, focusing on the development of the Greater Bay Area, and joining hands with the cultural, tourism, and commercial industries to propel the Company towards a higher-quality future.

The Company is still in the process of preparing and finalizing the interim results of the Group for the six months ended 30 September 2023. The information contained in this announcement is only based on the preliminary review made by the management of the Company with reference to the financial information currently available and is not based on any figures or data which have been audited or reviewed by the auditors or the audit committee of the Company, hence subject to possible change and adjustment upon further review. The interim results of the Group for the six months ended 30 September 2023 are expected to be published by end of November 2023.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**KRP Development Holdings Limited**  
**Ho Wai Hon, Brian**  
*Executive Director*

Hong Kong, 27 October 2023

*As at the date of this announcement, the executive Directors are Mr. Ho Man Chung, Mr. Ho Wai Hon, Brian, Ms. Yiu Yuet Fung and Mr. Zhu Nianhua; the non-executive Director is Mr. Ho Cheuk Fai; the independent non-executive Directors are Mr. Choi Wai Hin, Mr. Ho Lai Hong and Dr. Lo Yung Fong.*