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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 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 year ended 31 March 2024 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 year ended 31 March 2023. This was mainly attributable to (i) the drop in property sales revenue due to external factors such as the slowdown in economic growth and sluggish real estate market environment; and (ii) the provision for impairment loss on inventories.

In the face of the dual challenges of slowing economic growth and weak external demand, the Group has remained in a sound financial position. Since its listing, the Company has maintained a healthy net cash position, with no significant borrowings or outstanding loans. All of the Group’s projects for sale for the year ended 31 March 2024 are focusing on the Greater Bay Area and have all been completed. Benefited from its prudent but flexible development strategy, the Group has maintained reasonable gross profit margin under the prevailing market environment, demonstrating our solid profitability.

Despite the fact that the real estate market is undergoing a period of adjustment, national and local policies have sent out positive signals with the overall relaxed policy keynote, while signs of continuous recovery are also shown in sales.

Looking ahead, the Group will continue to implement its strategy of diversified business model, actively respond to the government's rural revitalization policy, and explore a diversified product business model integrating the "culture, tourism, commercial and residential" elements. With a solid financial foundation and a flexible market response strategy, the Group will continue to propel towards higher-quality development in a timely and smart manner.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 March 2024. 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 annual results of the Group for the year ended 31 March 2024 are expected to be published by end of June 2024.

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

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

Hong Kong, 24 May 2024

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.