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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS			
	2024	2023	Changes in %
Revenue (RMB'000)	226,877	700,751	-68%
Profit for the year attributable to equity shareholders of the Company (RMB'000)	40,069	180,846	-78%
Basic earnings per share (RMB cents)	7.9	35.8	-78%
Final dividend per share (HK cents)	<u>2.0</u>	<u>4.0</u>	-50%
Total dividends per share for the year (HK cents)	<u>2.0</u>	<u>4.0</u>	

The board (the “**Board**”) of directors (the “**Directors**”) of KRP Development Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively “**we**” or the “**Group**”) for the year ended 31 March 2024 together with the comparative figures for the year ended 31 March 2023 as follows:

Consolidated statement of financial position

(Expressed in RMB)

		31 March 2024	31 March 2023
	<i>Note</i>	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,509	3,857
Investment properties		118,916	77,850
Deferred tax assets		109,013	95,670
		229,438	177,377
Current assets			
Inventories and other contract costs	5	965,907	1,055,162
Prepayments, deposits and other receivables	4	17,275	12,121
Cash and bank deposits	6	175,162	267,835
		1,158,344	1,335,118
Current liabilities			
Trade and other payables	7	56,966	84,020
Lease liabilities		103	500
Contract liabilities		20,583	121,671
Current tax payable		440,856	456,594
		518,508	662,785
Net current assets		639,836	672,333
Total assets less current liabilities		869,274	849,710

Consolidated statement of financial position (Continued)*(Expressed in RMB)*

	31 March	31 March
	2024	2023
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities		
Provision for long service payable	17	81
Lease liabilities	9	1,462
Deferred tax liabilities	<u>20,025</u>	<u>19,613</u>
	<u>20,051</u>	<u>21,156</u>
NET ASSETS	<u>849,223</u>	<u>828,554</u>
CAPITAL AND RESERVES		
Share capital	4,394	4,394
Reserves	<u>844,829</u>	<u>824,160</u>
TOTAL EQUITY	<u>849,223</u>	<u>828,554</u>

**Consolidated statement of profit or loss
for the year ended 31 March 2024**

(Expressed in RMB)

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Revenue	8	226,877	700,751
Cost of revenue		<u>(81,153)</u>	<u>(183,819)</u>
Gross profit		145,724	516,932
Other net losses		(14,788)	(4,353)
Selling expenses		(15,798)	(16,217)
General and administrative expenses		<u>(31,634)</u>	<u>(46,852)</u>
Operating profit		83,504	449,510
Finance income		2,883	6,034
Finance costs		<u>(302)</u>	<u>(6,419)</u>
Finance income/(costs), net	9	2,581	(385)
Profit before taxation		86,085	449,125
Income tax charge	10	<u>(46,016)</u>	<u>(268,279)</u>
Profit for the year		40,069	180,846
Earnings per share — Basic and diluted <i>(RMB cents)</i>	11	7.9	35.8

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 March 2024**

(Expressed in RMB)

	2024	2023
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	40,069	180,846
Other comprehensive income for the year:		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of provision for long service payments	77	160
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statement of operations outside Chinese Mainland	(585)	(36,126)
Other comprehensive income for the year	(508)	(35,966)
Total comprehensive income for the year	39,561	144,880

NOTES:

1 BASIS OF PREPARATION

The consolidated results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2024 but are extracted from those financial statements.

The Group's consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 23 March 2023, after the successful spin-off of the Company from the previous ultimate holding company, Karrie International Holdings Limited (“**KIHL**”) which is incorporated in Bermuda with its shares listed on the Stock Exchange.

A uniform set of accounting policies is adopted when preparing the consolidated financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

The Group manages its business as a whole as property development is the only reporting segment. The financial statements are presented in a manner consistent with the way in which information is reported retaining to the Group's senior executive management for the purpose of resource allocation and performance assessment.

A measurement of segment assets and liabilities is not provided regularly to the Group's most senior executive management and accordingly, no segment assets or liabilities information is presented.

4 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments	10,880	10,511
Deposits	714	863
Other receivables	5,681	747
	<u>17,275</u>	<u>12,121</u>

5 INVENTORIES AND OTHER CONTRACT COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Properties under development for sale	174,698	166,207
Completed properties held for sale (<i>note</i>)	790,038	884,819
	<u>964,736</u>	<u>1,051,026</u>
Other contract costs	1,171	4,136
	<u>965,907</u>	<u>1,055,162</u>

Note:

As at 31 March 2024, the provision for impairment loss on inventories is RMB11,999,000 (2023: Nil).

6 CASH AND BANK DEPOSITS

Cash and bank deposits comprise:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Restricted deposits (<i>note (i)</i>)	3,796	10,503
Deposits with banks with less than three months to maturity when placed	6,759	—
Cash at bank and in hand	164,607	257,332
	<u>175,162</u>	<u>267,835</u>

Notes:

- (i) In accordance with relevant government requirements, certain property development subsidiaries of the Group are required to set up designated bank accounts with certain amount of pre-sale proceeds for the construction of the relevant properties. The restricted deposits represent the pre-sale proceeds to secure the future payments of the Group's property development projects. Such restricted deposits will be released for the payments for construction costs of the related property development projects or upon completion of the construction.
- (ii) The remittance of bank balances of RMB126,655,000 (2023: RMB252,940,000) as at 31 March 2024 placed with banks in Chinese Mainland are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC Government.

7 TRADE AND OTHER PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	54	106
Other payables and accruals	56,912	83,914
	56,966	84,020

Apart from the retention money of RMB536,000 (2023: RMB1,891,000) which were expected to be settled for more than one year, all of the other payables and accruals as at 31 March 2024 and 2023 were expected to be settled within one year.

Ageing analysis of trade payables as at the end of the reporting period, based on invoice date, is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 6 months	13	65
Over 12 months	41	41
	54	106

8 REVENUE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Recognised at a point in time under HKFRS 15:		
Sale of properties	226,877	700,751

The principal activities of the Group are property sales and development in Dongguan, Huizhou and Foshan in Chinese Mainland.

Revenue represents the income from sale of properties, net of sales related taxes and discounts allowed.

As at 31 March 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts are RMB38,566,000 (2023: RMB211,353,000). These amounts represent revenue expected to be recognised in the future from pre-completion sales contracts. The Group will recognise the expected revenue in future when the properties are accepted by the customer, or deemed as accepted according to the contract, whichever is earlier.

For the years ended 31 March 2024 and 2023, the Group's customer base is diversified and does not have a customer with whom transactions have exceeded 10% of the Group's revenue.

9 FINANCE (INCOME)/COSTS, NET

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Finance costs		
— Interest expense from financial liabilities measured at amortised cost	276	7,124
— Interest expense from land cost instalment	—	2,673
— Interest expense on lease liabilities	26	99
Less: Interest expenses capitalised into properties under development for sale (Note)	—	(3,477)
	302	6,419
Finance income		
— Interest income from financial assets measured at amortised cost	(2,883)	(6,034)
Finance (income)/costs, net	<u>(2,581)</u>	<u>385</u>

Note: No borrowing costs have been capitalised for the year ended 31 March 2024 (2023: at weighted average rate of 4.98% per annum).

10 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2024 RMB'000	2023 RMB'000
Current taxation		
Taxes in Chinese Mainland		
— provision for Enterprise Income Tax (“EIT”)	25,467	125,249
— reversal for EIT (<i>note (v)</i>)	—	(96,294)
	<u>25,467</u>	<u>28,955</u>
— provision for Land Appreciation Tax (“LAT”)	33,887	180,503
PRC Withholding Tax	—	6,105
Deferred taxation		
Origination and reversal of temporary differences	<u>(13,338)</u>	<u>52,716</u>
Total income tax charge	<u><u>46,016</u></u>	<u><u>268,279</u></u>

(i) EIT

The provision for EIT is calculated at 25% based on the estimated taxable income for the subsidiaries operated in Chinese Mainland during the year.

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including cost of land use rights, property development costs and borrowing costs.

(iii) Hong Kong Profits Tax

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit for the year for the subsidiaries incorporated in and operated in Hong Kong. No provision for Hong Kong Profits Tax for the year as the subsidiaries incorporated in and operated in Hong Kong did not have any assessable profits for the year.

- (iv) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (v) The clearance of LAT settlement of Jiaxuntong was completed during the year ended 31 March 2023 and tax refund relating to the LAT deduction for EIT purpose was received. As a result, the deferred tax assets arising from the accrual of LAT of RMB96,294,000 were utilised, with a corresponding reversal of EIT provision of the same amount was made during the year ended 31 March 2023. There is no net impact to the consolidated statement of profit or loss in this respect.
- (vi) The withholding tax arose from the 5% of dividend paid from a subsidiary incorporated in Chinese Mainland to its Hong Kong holding company within the Group.

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

As there were no potential dilutive ordinary shares during the years ended 31 March 2024 and 2023, the amount of diluted earnings per share is equal to basic earnings per share.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit attributable to equity shareholders of the Company	<u>40,069</u>	<u>180,846</u>
Weighted average number of ordinary shares in issue (in thousand shares)	<u>505,365</u>	<u>505,365</u>
Basic earnings per share (<i>RMB cents</i>)	<u>7.9</u>	<u>35.8</u>
Diluted earnings per share (<i>RMB cents</i>)	<u>7.9</u>	<u>35.8</u>

12 DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the year

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interim dividend declared and paid to KIHIL during the year (2023: Nil)	—	65,000
Final dividend proposed after the end of the reporting period of HK2.0 cents (equivalent to approximately RMB1.9 cents) per ordinary share (2023: HK4.0 cents equivalent to approximately RMB3.5 cents per ordinary share)	<u>9,359</u>	<u>17,578</u>
	<u>9,359</u>	<u>82,578</u>

The final dividend proposed after the end of the reporting period had not been recognised as a liability at the end of the reporting period.

PRINCIPAL BUSINESS AND RESULTS

For the year ended 31 March 2024, the Group principally engaged in:

A boutique residential property developer which mainly engaged in the development and sales of residential properties in the developing residential markets in Dongguan, Huizhou and Foshan in the PRC.

(1) Business Review

I. Results

- (a) For the year ended 31 March 2024, the revenue of the Group amounted to RMB226,877,000 (for the year ended 31 March 2023: RMB700,751,000), which decreased by approximately 68% when compared with the corresponding period last year. Profit attributable to the equity shareholders of the Company amounted to RMB40,069,000 (for the year ended 31 March 2023: RMB180,846,000), which decreased by approximately 78% when compared with the corresponding period last year. Such significant decrease in profit was 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. The Company also published a profit warning in relation to its annual results for the year ended 31 March 2024 on 24 May 2024 in accordance with the rules of the Stock Exchange, so as to raise the information transparency of the Company.

In accordance with the current market conditions and the Group's consistent prudent principles, the Group made a provision for the impairment loss on inventories of RMB11,999,000 for the year ended 31 March 2024.

- (b) As at 31 March 2024, the Group had land bank of approximately 242,494 square meters (“sq.m.”) (as at 31 March 2023: 253,594 sq.m.), which mainly included the land parcel located at Hecheng Sub-district, Gaoming District, Foshan (the “**Foshan Project**”), Phases 4 and 5 of Castfast Villas, Dongguan and Louvre Mansion, Huizhou, in the PRC.
- (c) A Three-Old Renewal residential project, Phase 3 of Castfast Villas, Dongguan recorded and recognized revenue of RMB9,519,000 during the year. A total of 4 units were delivered during the year, with a total area of approximately 440 sq.m. and an average selling price of approximately RMB23,600 per sq.m..
- (d) Phase 4 of Castfast Villas, Dongguan delivered 38 units and recorded revenue of RMB95,109,000 during the year, with a total area of approximately 3,936 sq.m. and an average selling price of approximately RMB26,300 per sq.m..

- (e) Phase 5 of Castfast Villas, Dongguan delivered 29 units and recorded revenue of RMB116,964,000 during the year, with a total area of approximately 4,545 sq.m. and an average selling price of approximately RMB28,000 per sq.m..
- (f) Meanwhile, Louvre Mansion, Huizhou, has been completed, with a total saleable residential area of approximately 30,300 sq.m. and a total of 8 units were delivered during the year. Revenue of RMB5,285,000 was recorded, with a total area of approximately 782 sq.m. and an average selling price of approximately RMB7,400 per sq.m..
- (g) The Foshan Project is in the stage of project planning and design, which is proceeding under a sound and diverse strategy. We are now preparing the construction design and drawing and negotiating with the relevant departments of the government.
- (h) In the past financial year, international geopolitical conflicts persisted. The global economy remained in a high interest rate environment. Demand in the Mainland economy was weak, and the property sector was still undergoing market adjustment. However, national and local policies have sent out positive signals, with the overall keynote of policies becoming more accommodative. The PRC Government has adopted a series of measures to optimize real estate policies, such as recognizing households with mortgage records but no local property ownership as first-time residential property purchasers, easing of purchase restrictions, publishing of the Mainland Real Estate White List and lowering the proportion and interest rate of down payment, which stimulated the market demand and strengthened the confidence of residential property purchasers. Nevertheless, it will take time for the market to recover, and the property sector is still facing a number of operational challenges in the process.
- (i) While facing various challenges, the Company proactively implemented initiatives like “focus on resources, improve operations, optimize quality, and make a fresh start” and pursued projects pragmatically to raise our efficiency. Through accurate marketing strategies and flexible operation approach, we manage our finances prudently and minimize risks. During the year, the Company was committed to maintaining its profitability. By ensuring profits and distributions, we strove to maximize shareholders’ value despite the sluggish market.
- (j) First of all, we focused on the development of property resources in the Greater Bay Area, completing both Three-Old Renewal residential project and Louvre Mansion, Huizhou. Meanwhile, the Group was committed to generating cash flow and eliminating inventory, with sufficient operating cash flow, healthy balance sheet and no significant borrowings or outstanding loans, ensuring a strong financial position. We will continue to adhere to the principle of operating within our means to achieve sustainable development.

- (k) Furthermore, the Group maintained a lean structure and further strengthened its operating capabilities. During the year, its administrative expenses decreased by approximately 33% (equivalent to approximately RMB15,000,000) as compared to the year ended 31 March 2023. While improving its greening and improving outdoor facilities, the Group also maintained its strict quality control to establish its unique competitive advantages. During this difficult period of the real estate industry, the Group demonstrated an operational posture of maintaining stability and order and further improving quality.
- (l) The Group adhered to the concept of sustainable development and fulfilled its corporate social responsibility by incorporating low-carbon and green building concepts into its design to provide a harmonious and beautiful residential area. We are committed to sustainable development in the areas of environmental protection, community, operations, waste reduction, energy use, customers, employees and suppliers. For more details, please refer to the Environmental, Social and Governance Report to be published in this year.
- (m) On 14 May 2024, the Company conditionally sold the entire issued equity interest of Dongguan City Jiaxuntong Computer Products Limited* (東莞市嘉訊通電腦產品有限公司) (“**Jiaxuntong**”), a wholly-owned subsidiary, at a consideration of RMB19,800,000 (the “**Disposal**”). The Disposal could streamline the organization structure and thereby minimizing the administrative costs of the Group, and recover cash for the development of future projects. The approval from the independent shareholders of the Company by way of poll will be sought at the extraordinary general meeting to be held on 24 June 2024. For further details, please refer to the announcement and circular of the Company dated 14 May 2024 and 5 June 2024, respectively.

Conclusion

During the year, the overall real estate market was still in a transitional period, experiencing inevitable great volatility and adjustment. Residential property purchasers were more cautious and there was a strong wait-and-see sentiment, with contracted sales value and area in the real estate industry falling sharply throughout the year. The real estate industry is in a period of consolidating its foundation and integration, with significant fragmentation in the land market. Despite the aforesaid predicament for the entire industry, the core region of the Greater Bay Area, where the Group focuses on its development, has demonstrated greater resilience and stronger recovery. The Group has striven for progress and excellence amidst stability, proactively responded to changes in the market and prepared for a fresh start in order to repay its shareholders for their support and trust.

(2) Dividend Policy

Any distribution of dividends is subject to various factors, including but not limited to operating results, capital demands, cash flows, future business development requirements of the Group and any other factors which the Directors may consider relevant. The Directors will, at their discretion and based on actual circumstances, cautiously evaluate such distributions to ensure that they are in the interest of the Company and shareholders.

After due consideration of the above factors and maintaining annual dividend distribution, the Board proposes to distribute a final dividend of HK2.0 cents per share to all shareholders whose names appear on the Company's registers of members as at 6 September 2024.

(3) Prospects

Looking forward, the high profit era of the real estate industry has come to an end, and the road of recovery is still long. With the overall accommodative policies, there are signs that sales will continue to pick up. The Group will continue to uphold the philosophy of “focus on resources, improve operations, optimize quality, and make a fresh start” and its strategy of seeking improvement while maintaining stability, pursuing business development at reasonable profit. The Group will maintain a lean structure and efficient management team to strengthen its operational capabilities and competitiveness, with a focus on projects in the Greater Bay Area, while also utilize flexible and tailored marketing strategies and reasonable pricing to eliminate its inventory and accelerate capital recovery, in order to maintain a healthy net cash position and reduce financial risks. It is believed that upon the completion of the Disposal, our operational efficiency and cash flow will be further strengthened.

The Group will constantly 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 strategic manner by investing in various investment products, in order to achieve a balanced asset allocation and diverse source of cash flow. We will create value for shareholders to reward them for their unfailing support.

FINANCIAL RESOURCES

Net Gearing Ratio

As at 31 March 2023 and 31 March 2024, net gearing ratio (calculated based on total bank borrowing and lease liabilities less cash and bank deposits and pledged deposits divided by total equity at the end of the year multiplied by 100%) was not applicable as we were at a net cash position.

Resources Available

Currently, the Group is confident that with the cash in hand and bank deposits of approximately RMB175,162,000, it is able to meet its current operational and committed capital expenditure requirements and to make strategic investments when opportunities arise.

Exchange Rate Exposure

The Group operates primarily in the PRC and most of its business transactions, assets and liabilities are denominated in RMB. Currency risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations that are denominated in a currency that is not the entity's functional currency. Management considers that the Group is mainly exposed to foreign currency risk with respect to United States Dollars and HK\$. Management will continue to monitor foreign exchange exposure and will take measures to minimise the currency translation risk. The conversion rate of RMB to foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

Contingent Liabilities/Financial Guarantees

As at 31 March 2024, the Group has provided guarantees to banks to secure the mortgage arrangements of certain property purchasers. As at 31 March 2024, the outstanding guarantees to the banks amounted to RMB347,753,000 (2023: RMB515,657,000) which will be released upon the completion of the transfer procedures with the property purchasers in respect of the legal title of the properties.

The Directors are of the view that the Group would not sustain a loss under these guarantees as the bank has the rights to sell the property and recovers the outstanding loan balance from the sale proceeds if the property purchasers are in default on payment. The Group has not recognised any deferred income in respect of these guarantees as the fair value of these guarantees is considered to be insignificant.

As at 31 March 2024, the Group had no significant contingent liabilities.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

On 14 May 2024, the Company entered into a disposal agreement on conditionally sold the entire issued equity interest of Jiaxuntong, a wholly-owned subsidiary of the Company, at a consideration of RMB19,800,000 (the “Disposal”) to Kar Info Property Limited, which is a wholly-owned company of Mr. Ho Cheuk Fai. The approval of the Disposal from the independent shareholders of the Company by way of poll will be sought at the extraordinary general meeting to be held on 24 June 2024.

EMPLOYEES AND REMUNERATION POLICIES

The Group had approximately 60 employees on average during the year. The Group enter into individual employment contracts with our employees to cover matters such as wages, salaries, benefits and terms for termination. We generally formulate our employees’ remuneration package to include a salary and bonus. We determine salary levels based on each employee’s qualification, position, seniority and periodic performance reviews. In our performance reviews, we mainly assess the value that the employee has created for our Group during the performance period and any other meaningful contributions that the employee has made to our Group. As required by the relevant PRC regulations, we make contributions to mandatory social security funds for the benefit of our PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing provident funds.

In addition, to cope with domestic development in the PRC and the actual need for talent retention, the Group establishes a “Cooperative Home” to encourage and finance potential high calibre of the Group who have settled down locally in buying a flat as a means to retain talents in light of the competitive labour market in the PRC.

Performance Based Incentives

The Group has also adopted performance based bonus system and objective performance assessment. Employees with outstanding performance will now receive more bonus than before the new system was implemented.

DIVIDEND

The Board has recommended to pay a final dividend of HK2.0 cents per share (2022/23 final dividend: HK4.0 cents per share), to shareholders whose names appear on the register of members of the Company on 6 September 2024. Together with the interim dividend, total dividend paid/payable for this year amounted to HK2.0 cents per share (2022/23: HK4.0 cents per share). The final dividend will be subject to the approval of the shareholders of the Company at the forthcoming annual general meeting (the “AGM”) of the Company to be held on 30 August 2024.

CLOSURES OF REGISTER OF MEMBERS

For the purposes of ascertaining the entitlement to attend and vote at the AGM to be held on 30 August 2024, the register of members of the Company will be closed from Monday, 26 August 2024 to Friday, 30 August 2024 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 23 August 2024.

Assuming that the final dividend is approved by the shareholders of the Company at the AGM, for the purposes of ascertaining the entitlement to the final dividend, the register of members of the Company will be closed from Thursday, 5 September 2024 to Friday, 6 September 2024 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 4 September 2024. It is expected that the final dividend will be payable and issued to those entitled on or around Tuesday, 24 September 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2024.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2024, the Board is of the view that the Company had applied the principles and complied with all the applicable code provisions set out in Part 2 of Appendix C1 to the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited.

AUDIT COMMITTEE

The Company has established an audit committee currently comprising three independent non-executive Directors whose duties include resolving issues in relation to audit such as reviewing and supervising the Company's financial reporting process and internal control systems. The audit committee and the management have reviewed the accounting principles and major policies adopted by the Group and have discussed the auditing, internal control and financial reporting in the current year with the external auditors. The audit committee has reviewed the consolidated annual results of the Group for the year ended 31 March 2024.

REVIEW OF ANNUAL RESULTS

The audit committee has reviewed the accounting principles and practices adopted by the Group and its annual results for the year ended 31 March 2024. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary results announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary results announcement.

APPRECIATION

We would like to thank our customers, suppliers, bankers, shareholders and others who have extended their invaluable support to the Group, and my fellow Directors, managers and all staff for their considerable contributions to the Group.

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

Hong Kong, 18 June 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.

* *For identification purpose only*