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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 2025 and the information currently available, the Group expects that the profit attributable to the equity shareholders of the Company will decrease by approximately 50% as compared to the year ended 31 March 2024.

The expected decline in net profit is primarily due to the valuation adjustments proposed by the Company's auditors mainly including:

(1) the provision for impairment on certain property projects, based on the principle of prudence in light of the ongoing challenges in the real estate industry of the People's Republic of China; and

(2) the decrease in fair value of the Group's investment properties as at 31 March 2025.

These adjustments are non-cash in nature and will not have any material adverse effect on the Group's working capital.

Notwithstanding the above, the Group has maintained a healthy financial position. As at the date of this announcement, the Group does not have any bank borrowings, retains a solid cash balance, ensures net cash inflows from operating activities, and maintains the "Three Red Lines" indicators in "green lights". The Board believes the Group remains financially sound and operationally resilient.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 March 2025. 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 2025 are expected to be published by 19 June 2025.

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
Wong Ho Kwan
Company Secretary

Hong Kong, 18 June 2025

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 Directors are Mr. Ho Cheuk Fai and Ms. Ho Man Yiu; the independent non-executive Directors are Mr. Choi Wai Hin, Mr. Yam Chung Shing and Ms. Leung Man Lai, Lily.