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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 2026

FINANCIAL HIGHLIGHTS			
	2026	2025	Changes in %
Revenue (RMB'000)	141,226	181,683	-22%
Profit before taxation excluding valuation losses on investment properties and write down of inventories (RMB'000)	35,679	72,095	-51%
Valuation losses on investment properties (RMB'000)	(1,973)	(15,581)	
Write down of inventories (RMB'000)	—	(3,457)	
Profit before taxation (RMB'000)	33,706	53,057	-36%
Profit for the year attributable to equity shareholders of the Company (RMB'000)	14,874	20,207	-26%
Basic and diluted earnings per share (RMB cents)	2.9	4.0	-28%
Final dividend per share (HK cents)	—	—	

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 2026 together with the comparative figures for the year ended 31 March 2025 as follows:

Consolidated statement of financial position

(Expressed in RMB)

	<i>Note</i>	31 March 2026 RMB’000	31 March 2025 RMB’000
Non-current assets			
Property, plant and equipment	4	94,450	43,623
Investment properties		112,694	110,302
Deferred tax assets		125,167	120,014
		332,311	273,939
Current assets			
Inventories and other contract costs	5	825,492	878,392
Financial assets measured at fair value through profit or loss (“ FVPL ”)		—	50,000
Prepayments, deposits and other receivables	6	21,947	18,519
Restricted bank deposits	7	2,269	2,566
Cash and cash equivalents	8	216,198	130,552
		1,065,906	1,080,029
Current liabilities			
Trade and other payables	9	28,739	35,162
Contract liabilities		4,587	4,477
Lease liabilities		877	17
Current tax payable		443,900	434,252
		478,103	473,908
Net current assets		587,803	606,121
Total assets less current liabilities		920,114	880,060

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

	31 March 2026 RMB'000	31 March 2025 RMB'000
Non-current liabilities		
Provision for long service payments payable	10	40
Lease liabilities	26,210	—
Deferred tax liabilities	19,870	19,875
	<u>46,090</u>	<u>19,915</u>
NET ASSETS	<u>874,024</u>	<u>860,145</u>
CAPITAL AND RESERVES		
Share capital	4,394	4,394
Reserves	869,630	855,751
TOTAL EQUITY	<u>874,024</u>	<u>860,145</u>

**Consolidated statement of profit or loss
for the year ended 31 March 2026**

(Expressed in RMB)

	<i>Note</i>	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Revenue	<i>10</i>	141,226	181,683
Cost of sales and services		<u>(66,044)</u>	<u>(75,394)</u>
Gross profit		75,182	106,289
Other net income and gains		7,045	5,142
Selling and distribution expenses		(13,566)	(16,438)
General and administrative expenses		(34,680)	(26,007)
Valuation losses on investment properties		(1,973)	(15,581)
Write down of inventories		<u>—</u>	<u>(3,457)</u>
Operating profit		32,008	49,948
Finance income		2,338	3,111
Finance costs		<u>(640)</u>	<u>(2)</u>
Finance income, net	<i>11</i>	1,698	3,109
Profit before taxation		33,706	53,057
Income tax expenses	<i>12</i>	<u>(18,832)</u>	<u>(32,850)</u>
Profit for the year		14,874	20,207
Earnings per share — Basic and diluted <i>(RMB cents)</i>	<i>13</i>	2.9	4.0

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 March 2026**

(Expressed in RMB)

	2026	2025
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	14,874	20,207
Other comprehensive income/(loss) for the year:		
<i>Items that will not be reclassified to profit or loss:</i>		
Remeasurement of provision for long service payments	26	(12)
Exchange difference on translation of the Company's financial statements to presentation currency	(303)	—
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statement of operations outside Chinese Mainland other than the Company	(718)	86
Total other comprehensive (loss)/income for the year	(995)	74
Total comprehensive income for the year	13,879	20,281

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 2026 but are extracted from those consolidated financial statements.

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

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

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for investment properties and financial assets at fair value through profit or loss (“**FVPL**”), which have been measured at fair value.

The consolidated financial statements are presented in Renminbi (“**RMB**”) and all amounts have been rounded to the nearest thousand (“**RMB'000**”), unless otherwise stated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024/2025 consolidated financial statements except for the adoption of the new/revised HKFRS Accounting Standards that is relevant to the Group and effective from the current reporting period. Details of any changes in accounting policy are set out in note 2.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied, for the first time, the following amended HKFRS Accounting Standards to these consolidated financial statements for the current accounting period:

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the amendments does not have any material effect on how the Group's result and financial position for the current or prior periods have prepared or presented in this announcement.

3 SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and assessing their performances. In order to realise business diversification, the Group has commenced the culture and creation related business during the year ended 31 March 2026. Based on the Group's internal management functions and internal reports, the Group's most senior executive management considers that the operating segments of the Group comprise:

- (i) Property development business; and
- (ii) Culture and creation related business.

Segment results represent the results before taxation earned by each segment without allocation of certain other income generated, finance income and certain finance costs, certain administrative expenses and other operating expenses incurred by the corporate office.

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.

In determining the Group's geographical segments, revenue is attributed to the segments based on the location of customers; assets and expenditure are attributed to the segments based on the locations of the assets.

3 SEGMENT INFORMATION (Continued)

(a) By Business Segments

For the year ended 31 March 2026

	Property development business <i>RMB'000</i>	Culture and creation related business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>133,154</u>	<u>8,072</u>	<u>141,226</u>
Segment results	<u>46,151</u>	<u>(3,483)</u>	<u>42,668</u>
Unallocated other income			3,013
Unallocated other corporate expenses			<u>(14,313)</u>
Operating profit			31,368
Unallocated finance income			<u>2,338</u>
Profit before taxation			33,706
Income tax expenses			<u>(18,832)</u>
Profit for the year			<u>14,874</u>

	Property development business <i>RMB'000</i>	Culture and creation related business <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Other segment information:				
Depreciation	791	2,461	—	3,252
Loss on disposal of property, plant and equipment, net	71	—	—	71
Interest expenses on lease liabilities	—	640	—	640
Short-term lease payments	—	—	476	476
Valuation losses on investment properties	1,973	—	—	1,973
Additions of property, plant and equipment	<u>266</u>	<u>52,502</u>	<u>—</u>	<u>52,768</u>

3 SEGMENT INFORMATION (Continued)

(a) By Business Segments (Continued)

For the year ended 31 March 2025

	Property development business <i>RMB'000</i>	Culture and creation related business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>181,683</u>	<u>—</u>	<u>181,683</u>
Segment results	<u>55,744</u>	<u>—</u>	<u>55,744</u>
Unallocated other corporate expenses			(5,796)
Operating profit			49,948
Unallocated finance income			3,111
Unallocated finance costs			<u>(2)</u>
Profit before taxation			<u>53,057</u>
Income tax expenses			<u>(32,850)</u>
Profit for the year			<u>20,207</u>

	Property development business <i>RMB'000</i>	Culture and creation related business <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Other segment information:				
Depreciation	772	—	95	867
Interest expenses on lease liabilities	—	—	2	2
Short-term lease payments	—	—	381	381
Valuation losses on investment properties	15,581	—	—	15,581
Write down of inventories	3,457	—	—	3,457
Additions of property, plant and equipment	<u>53</u>	<u>—</u>	<u>—</u>	<u>53</u>

3 SEGMENT INFORMATION (Continued)

(b) Geographical information

The Group primarily operates in Chinese Mainland and accordingly, no geographical information is presented.

4 PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 March 2026, the Group has (i) an addition of property, plant and equipment at a total cost of approximately RMB25,113,000 (2025: approximately RMB53,000) and (ii) an addition of right-of-use assets of approximately RMB27,655,000 by incurring lease liabilities of approximately RMB27,655,000 (2025: Nil).

Property, plant and equipment with a carrying value of approximately RMB93,000 (2025: approximately RMB10,000) were disposed of by the Group during the year ended 31 March 2026.

During the year ended 31 March 2026, the Group has transferred a net carrying value of approximately RMB1,404,000 (2025: approximately RMB42,938,000) from completed properties held for sales included in “inventories and other contract costs” to buildings included in “property, plant and equipment”.

5 INVENTORIES AND OTHER CONTRACT COSTS

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Properties under development for sales	232,341	223,343
Completed properties held for sales	590,973	654,618
Finished goods and other operating items for culture and creation related business	1,526	—
	824,840	877,961
Other contract costs	652	431
	825,492	878,392

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Cost of properties sold	61,775	75,394
Cost of inventories sold	1,350	—
Write down of inventories	—	3,457
	63,125	78,851

During the year ended 31 March 2026, the Group transferred the completed properties held for sales with a net carrying value of approximately RMB4,365,000 (2025: approximately RMB6,967,000) to investment properties.

6 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Prepaid contract costs (<i>Note</i>)	7,422	7,866
Prepayments (<i>Note</i>)	1,369	950
Deposits	2,378	1,012
Other receivables	4,417	5,183
Value-added tax recoverables	6,361	3,508
	<u>21,947</u>	<u>18,519</u>

Note:

Prepaid contract costs and prepayments are expected to be recovered, recognised as expenses or capitalised as property under development for sales within one year.

7 RESTRICTED BANK DEPOSITS

At 31 March 2026 and 2025, the balance mainly represented the restricted bank deposits for guarantees issued to a licensed bank in the Chinese Mainland to secure the mortgage arrangements of certain property buyers who may have the opportunity for default payment.

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Deposits with banks with less than three months to maturity when placed	14,545	36,362
Cash at bank and in hand	201,653	94,190
	<u>216,198</u>	<u>130,552</u>

The remittance of bank balances of approximately RMB171,371,000 (2025: approximately RMB71,969,000) at 31 March 2026 placed with licensed banks in Chinese Mainland are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC Government.

9 TRADE AND OTHER PAYABLES

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Trade payables to third parties	<u>4,740</u>	<u>—</u>
Other payables		
Salary payables	1,950	2,535
Other payables and accruals	9,552	9,923
Payables for purchase of property, plant and equipment	<u>12,497</u>	<u>22,704</u>
	<u>23,999</u>	<u>35,162</u>
	<u>28,739</u>	<u>35,162</u>

(i) Trade payables to third parties

The trade payables were unsecured, interest-free and with normal credit terms up to 60 days (2025 : N/A).

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

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Within 30 days	1,026	—
31–90 days	3,700	—
91–180 days	14	—
	<u>4,740</u>	<u>—</u>
	<u>4,740</u>	<u>—</u>

(ii) Other payables and accruals

Apart from the retention money of approximately RMB485,000 (2025 : approximately RMB330,000) which were expected to be settled for more than one year, all of the other payables and accruals at 31 March 2026 and 2025 are expected to be settled within one year.

(iii) Payables for purchase of property, plant and equipment

At 31 March 2026 and 2025, the payables for purchase of property, plant and equipment were unsecured, interest-free and with normal credit terms up to 30 days upon issuance of certificate of acceptance.

10 REVENUE

Disaggregation of revenue from contracts with customers within HKFRS 15 at a point in time is as follows:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Development and sales of residential properties		
Sales of properties (<i>Note (i)</i>)	133,154	181,683
Culture and creation related business		
Admission income	4,098	—
In-park spending income	1,110	—
Merchandise income	2,864	—
	<u>8,072</u>	<u>—</u>
	<u><u>141,226</u></u>	<u><u>181,683</u></u>

Notes:

- (i) As at 31 March 2026, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts are approximately RMB17,423,000 (2025: approximately RMB10,654,000). These amounts represent revenue expected to be recognised in one year or less upon delivery of properties. 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.
- (ii) For the years ended 31 March 2026 and 2025, the Group's customer base is diversified and does not have a customer with whom transactions have exceeded 10% of the Group's revenue.

11 FINANCE INCOME, NET

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Finance costs		
— Interest expense on lease liabilities	640	2
Finance income		
— Interest income	<u>(2,338)</u>	<u>(3,111)</u>
Finance income, net	<u><u>(1,698)</u></u>	<u><u>(3,109)</u></u>

12 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Current tax		
Taxes in Chinese Mainland		
— provision for Enterprise Income Tax (“EIT”)	11,207	14,519
— provision for Land Appreciation Tax (“LAT”)	12,584	29,482
	<u>23,791</u>	<u>44,001</u>
Deferred taxation		
Origination and reversal of temporary differences	<u>(4,959)</u>	<u>(11,151)</u>
Total income tax expenses for the year	<u><u>18,832</u></u>	<u><u>32,850</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 years ended 31 March 2026 and 2025.

(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 years ended 31 March 2026 and 2025.

(iv) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

13 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 2026 and 2025, the amount of diluted earnings per share is equal to basic earnings per share.

	2026 <i>RMB'000</i>	2025 <i>RMB'000</i>
Profit attributable to equity shareholders of the Company	<u><u>14,874</u></u>	<u><u>20,207</u></u>
Weighted average number of ordinary shares in issue for the purpose of calculating basic and diluted earnings per share (<i>in thousand shares</i>)	<u><u>505,365</u></u>	<u><u>505,365</u></u>
Basic earnings per share (<i>RMB cents</i>)	<u><u>2.9</u></u>	<u><u>4.0</u></u>
Diluted earnings per share (<i>RMB cents</i>)	<u><u>2.9</u></u>	<u><u>4.0</u></u>

14 DIVIDENDS

No dividends have been proposed, declared or paid by the Company for the years ended 31 March 2026 and 2025.

The final dividends for the year ended 31 March 2024 of approximately RMB9,359,000 of HK2.0 cents (equivalent to approximately RMB1.9 cents) per ordinary share was proposed, declared and approved subsequent to 31 March 2024 and have been recognised as a liability during the year ended 31 March 2025.

During the year ended 31 March 2025, the dividends payable of approximately RMB9,359,000 was settled.

PRINCIPAL BUSINESS AND RESULTS

For the year ended 31 March 2026, the Group was principally engaged in property development, property sales and related assets operation in the People's Republic of China (the "PRC"), with its business primarily focus on cities such as Dongguan, Huizhou and Foshan of the Guangdong-Hong Kong-Macao Greater Bay Area. In response to the changes in the PRC real estate market in recent years, the Group has continued to strengthen the operation of its existing property business, promote project sales and enhance the efficiency of capital returns, while at the same time prudently exploring cultural tourism, cultural and creative consumption and other new sources of income in order to broaden our revenue structure and strengthen the overall business resilience.

(1) BUSINESS REVIEW

- (a) For the year ended 31 March 2026, revenue of the Group amounted to RMB141,226,000 (for the year ended 31 March 2025: RMB181,683,000), which decreased by approximately 22% as compared to last year. Profit attributable to the equity shareholders of the Company amounted to RMB14,874,000 (for the year ended 31 March 2025: RMB20,207,000), which decreased by approximately 26% as compared to last year.

During the year, the real estate market in the PRC was still in a stage of adjustment and bottoming out, with the pace of market transactions, confidence of property purchasers and price expectations still being affected by the macroeconomic conditions and the de-stocking process of the industry. While maintaining prudent operations and accelerating capital returns, the Group has made careful assessment of certain assets in light of the prevailing market environment. During the year ended 31 March 2026, the Group recorded a fair value loss on investment properties of RMB1,973,000. These valuation is mainly non-cash in nature and will not have any material adverse effect on the Group's daily working capital.

- (b) As at 31 March 2026, the Group had land bank of approximately 222,475 square meter ("sq.m.") (as at 31 March 2025: 230,791 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 addition, the Group also has an industrial land located in Yantian Village, Fenggang Town, Dongguan with a total land area of approximately 23,862 sq.m. with potential for further development.

- (c) 50 units of a three-old renewal residential project, Phase 4 of Castfast Villas, Dongguan, were delivered during the year, recording a total revenue of RMB84,699,000, involving a total area of approximately 4,998 sq.m. at an average selling price of approximately RMB18,500 per sq.m..
- (d) 21 units of another three-old renewal residential project, Phase 5 of Castfast Villas, Dongguan, were delivered during the year, recording a total revenue of RMB46,510,000, involving a total area of approximately 2,721 sq.m. at an average selling price of approximately RMB18,600 per sq.m..
- (e) In terms of the Foshan Project, the Group has been continuously engaged in close communication with the local government and closely monitoring changes in the market, duly promoting subsequent development in a timely manner, in order to ensure the risks are controllable and maximise the efficiency of resources allocation.
- (f) During the year, the Group further diversified its income streams and actively explored expanding sources of income other than real estate sales. Guangdong Jialang Cultural Tourism Development Co., Ltd.* (廣東嘉朗文化旅遊開發有限責任公司), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement as lessee in August 2025 with the landlord for a term of 235 months (approximately 19.6 years) in respect of Long Feng Villa (龍鳳山莊) to assume the operation of the theme park and related ancillary operations. For details, please refer to the announcement of the Company dated 4 August 2025 in relation to the discloseable transaction of the land lease agreement.

Long Feng Villa is located in the vicinity of the Group’s Castfast Villas project in Dongguan, demonstrating a certain degree of regional synergies. The Group also launched the “Lingnan Kungfu Culture Theme Night Tour (嶺南功夫文化主題夜遊)” project last December, which focuses on Chinese kung fu, oriental aesthetics and modern light and shadow technology, and enhances the attractiveness of the park and the experience of the visitors through real-scene light and shadow performances, interactive experiences, local delicacies bazaars and related ancillary consumer attractions. The Group believes that the project will help diversify the revenue streams of the theme park, develop night-time cultural tourism and consumption scenarios, and boost the popularity of the vicinity and regional vitality.

The Group believes that the Long Feng Villa project will facilitate the Group to explore recurring and consumer income other than real estate sales. It will also complement the Group’s residential project in Dongguan, enhancing regional attractiveness and overall value of the project. As at 31 March 2026, the Long Feng Villa project has commenced operation for around four months and

recorded approximately 68,000 attendances. As the project is still at the stage of soft opening and content optimization, its revenue contribution has not been fully reflected in the annual results of the current year. The Group will continue to optimize the content, marketing strategy and ancillary services of the park based on market response, visitor traffic and operational data, with an aim to gradually enhance the operational efficiency of the project.

- (g) Apart from the cultural tourism business, the Group has also started to cultivate new business directions related to cultural and creative consumption, art toy products and IP culture, including the development of the building blocks art toy brands as a complementary attempt to expand non-property sales revenue and capture opportunities in the emerging consumer market. In recent years, art toys, collectible toys, building block models and IP-licensed products have been gradually extended to diversified consumer scenarios such as collection, socializing, cultural expression and co-branding, and the related business of which has showcased certain development potential. Such business is still at the initial and market cultivation stage and its contribution to the Group's revenue and profit for the current year is limited. The Group will promote the relevant business in a prudent and gradual manner and assess its long-term development potential in the light of market response, product development and sales channel expansion.
- (h) KPMG (“**KPMG**”) has resigned as the auditor of the Company with effect from 24 October 2025, as the Company and KPMG could not reach a consensus on the audit fee for the audit of the consolidated financial statements of the Group for the year ended 31 March 2026. The Board and the Audit Committee also confirmed that there are no other matters in relation to the resignation that need to be brought to the attention of the shareholders of the Company. On the same day, the Company appointed Forvis Mazars CPA Limited (“**Forvis Mazars**”) as the new auditor of the Company to fill the casual vacancy following the resignation of KPMG with effect from 24 October 2025 and to hold office until the conclusion of the forthcoming annual general meeting of the Company. Such appointment was made after taking into account factors such as the remuneration, experience, reputation, independence and qualifications of Forvis Mazars. For details, please refer to the announcement of the Company dated 24 October 2025 in relation to the change of auditor.
- (i) During the year, global inflationary pressures have eased as compared to the peak period and there was room for gradual adjustment in the monetary policies of certain major economies. However, the interest rate trends were still affected by factors such as inflation, energy prices, geopolitics and changes in the global trade landscapes, and the external economic environment remained uncertain. In the PRC, the gross domestic product grew by 5.0% year-on-year in 2025, achieving the annual economic growth target and maintaining an overall resilient economy.

The central government also continued to promote the expansion of domestic demand, stabilization of growth and prevention of risks, and strengthened policy support to stem the downturn and restore stability, secure delivery and de-stock for the real estate market

- (j) During the current year, the PRC real estate market remained in an adjustment stage, but with constant policy support, some cities and quality projects gradually showed signs of stabilization after bottoming out. Although the sales areas and sales amounts of commercial properties sold nationwide still dropped as compared to that of last year, the decline has narrowed, reflecting that the market is gradually absorbing the pressure of past adjustments. The government also continued to support rigid and improved housing demand, optimize property purchase policies and improve residents' income expectations to boost confidence in housing consumption, thereby promoting a gradual stabilization of the real estate market.
- (k) In the face of the above environment, the Group adopts an operational strategy that balances both offensive and defensive measures. On the one hand, the Group continues to focus on the Guangdong-Hong Kong-Macao Greater Bay Area, especially in cities where its existing projects are located, such as Dongguan, Huizhou and Foshan, with accelerating sales, promoting de-stocks and securing capital returns as its key efforts. The Group flexibly adjusts its marketing strategies in response to market changes, balances the prices and the speed of sales, strictly controls the pace of new development, and maintains operational stability through cost control, lean management and risk management.
- (l) On the other hand, the Group has been also actively reviewing market changes and consumption trends. On the basis of maintaining the stability and financial resilience of its property business, the Group has been gradually exploring cultural tourism, cultural and creative consumption and other income streams with development potential. The Board is of the view that these arrangements will help the Group proactively enhance its operational resilience, broaden its revenue base and strengthen its cyclical resilience during rapid market changes. In the long run, such deployment will facilitate the Group in creating more possibilities for future business growth while maintaining its stability.
- (m) Sustainable development is the core strategy of the Company, which covers community development, environmental protection, industrial safety, climate change and other stakeholders (employees, investors, suppliers and the government). Against the backdrop of increasing global concerns on environmental, social and governance (ESG) development, the Company will also rigorously implement ESG-related work. For details, please refer to the "Sustainability Report" which will be published in July 2026.

Conclusion

During the year 2025/26, the real estate market in the PRC was still in a stage of adjustment and confidence restoration. In the face of the uncertainties in the external environment, the Group adhered to the core principles of prudent operation and financial stability, and continued to push forward the sales of existing residential projects, accelerate capital returns, control the pace of development, and maintain a good liquidity position.

During the year, the Group started to explore supplementary sources of income other than real estate sales in an orderly manner, while strengthening the operation of its existing property business. The Long Feng Villa project is an important attempt by the Group to expand its cultural tourism and night-time consumption scenarios, which will help enhance the popularity of the vicinity and the market attractiveness of the Group's Dongguan property projects. The cultural and creative consumption, building block art toy products and IP culture related businesses provide initial exploration for the Group to capture emerging consumer trends and expand non-property sales revenue.

Overall, the Group continued to prioritize stability and prudently manage its projects and funding arrangements during the year, while gradually broadening its revenue base in response to market changes so as to retain greater flexibility for future business development.

(2) DIVIDEND POLICY

Any distribution of dividends is based on the principle of maintaining the Group's ongoing operations and subject to various factors, including but not limited to operating results, capital demands and capital reserves, financial conditions and cash flows, changes in the industry and related tax rates, lending environment, 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.

(3) PROSPECTS

Looking ahead to 2026, China's economy will enter the opening year of the "Fifteenth Five-Year Plan". The central government is expected to continue to prioritize stabilizing growth, expanding domestic demand and preventing risks as key policy directions, and to continue to promote the stabilization and recovery of the real estate market. The real estate market is expected to recover gradually under the support of

the policy. However, it will take time to improve the confidence of the residents in purchasing properties, their income expectations and the market price expectations, and the recovery of the market may be characterized by differentiation in terms of city, region and product structure.

The Group believes that the real estate industry will continue to be an important component of China's economic and urban development, but the market has shifted from the previous stage of rapid growth to a new stage that places greater emphasis on product quality, operational efficiency and capital security. In the face of changes in the industry environment, the Group will continue to adopt a prudent and flexible operating strategy by focusing on the sales and repayment of existing residential projects, controlling the pace of development, prudently evaluating the timing of project advancement, and maintaining a healthy financial structure and adequate liquidity. At the same time, the Group will explore cultural tourism, cultural and creative consumption and other new revenue opportunities in an orderly manner, so as to gradually broaden its revenue base and enhance its ability to withstand market cyclical fluctuations, thereby creating more sustainable long-term value for its shareholders.

FINANCIAL RESOURCES

Treasury Policy

The Directors will continue to follow a prudent policy in managing the Group's cash and cash equivalents and maintain a strong and healthy liquidity position to ensure that the Group is well-placed to capture future growth opportunities.

Net Gearing Ratio

As at 31 March 2026 and 31 March 2025, net gearing ratio (calculated based on lease liabilities less cash and cash equivalents 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 and cash equivalents of approximately RMB216,198,000, 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 Hong Kong dollars. The management will continue to monitor foreign exchange exposure and will take measures to minimise the currency translation risk. The conversion rate of Renminbi to foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

Financial Guarantees

As at 31 March 2026, the Group has provided guarantees to banks to secure the mortgage arrangements of certain property buyers. As at 31 March 2026, the outstanding guarantees to the banks amounted to RMB168,702,000 (2025: RMB242,453,000) which will be released upon the completion of the transfer procedures with the property buyers in respect of the legal title of the relevant 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 buyers are in default in payment. The Group has not recognised any deferred income in respect of these guarantees as the fair value of such is considered to be insignificant.

Contingent Liabilities

As at 31 March 2026, the Group had no significant contingent liabilities.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

The Company has no significant event after the year ended 31 March 2026 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

The Group had approximately 63 employees on average during the year ended 31 March 2026. 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 such system was implemented.

DIVIDEND

The Board does not recommend to pay a final dividend (2024/25 final dividend: Nil).

CLOSURES OF REGISTER OF MEMBERS

For the purposes of ascertaining the entitlement to attend and vote at the AGM to be held on 28 August 2026, the register of members of the Company will be closed from Monday, 24 August 2026 to Friday, 28 August 2026 (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, 21 August 2026.

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 2026.

CORPORATE GOVERNANCE

Throughout the year ended 31 March 2026, 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 Listing Rules.

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 of the Board (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 2026.

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 2026. 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 2026 as set out in the preliminary results announcement have been agreed by the Group's auditor, Forvis Mazars CPA Limited, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Forvis Mazars CPA Limited 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 Forvis Mazars CPA Limited 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, 17 June 2026

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

* *For identification purpose only*