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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 100% INTEREST IN THE TARGET COMPANY

THE ACQUISITION

The Board is pleased to announce that on 10 July 2026 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Sellers, pursuant to which the Purchaser conditionally agreed to acquire, and the Sellers conditionally agreed to sell the Sale Shares, representing 100% of the total issued share capital of the Target Company, at a total consideration of RMB23,800,000 (equivalent to approximately HK\$27,370,000). Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to the fulfilment (or waiver) of the Conditions on or before the Long Stop Date. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

- Date : 10 July 2026 (after trading hours)
- Parties : (i) the Purchaser, as purchaser
- (ii) Seller 1 and Seller 2, as sellers

Assets to be acquired

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire, and the Sellers have conditionally agreed to sell the Sale Shares, representing 100% of the total issued share capital of the Target Company.

As at the date of this announcement, the Target Company is owned as to 50% and 50% by Seller 1 and Seller 2, respectively. For detailed information of the Target Company, please refer to the paragraph headed “Information on the Target Company” below.

Consideration

The total consideration for the Acquisition is RMB23,800,000 (equivalent to approximately HK\$27,370,000), which shall be settled in cash by the Purchaser in the following manner:

- (i) a sum of RMB2,380,000 (equivalent to approximately HK\$2,737,000) will be paid by the Purchaser to the Sellers as the deposit upon the execution of the Sale and Purchase Agreement; and
- (ii) a sum of RMB21,420,000 (equivalent to approximately HK\$24,633,000) will be paid by the Purchaser to the Sellers upon Completion.

The consideration of RMB23,800,000 represents a discount of approximately 8.5% to the appraised 100% equity value of approximately RMB26,000,000 as independently assessed by the Valuer as at the Valuation Date. The basis of the consideration for the Acquisition was determined after arm's length negotiations between the Purchaser and the Sellers with reference to, (i) the appraised value of 100% of the total issued share capital of the Target Company as at 8 May 2026 (the "**Valuation Date**") of approximately RMB26,000,000 (equivalent to approximately HK\$29,900,000), as appraised by the Valuer using the market approach (the "**Valuation**"); (ii) the financial performance of the Target Company, including its unaudited EBITDA of approximately RMB5,805,145 for the financial year ended 31 December 2025; (iii) the unaudited consolidated net assets of approximately RMB8,564,000 (equivalent to approximately HK\$9,848,600) of the Target Company as at 31 December 2025; (iv) the reasons for and benefits of the Acquisition as set out in the section headed "Reasons for and benefits of the Acquisition" below.

The consideration will be financed by the internal resources of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the Acquisition, including, among other things, the basis of calculation of the consideration of the Acquisition, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Acquisition is conditional upon the fulfilment, or waiver by the Purchaser (where applicable), of the following Conditions on or before the Long Stop Date:

- (i) each of the representations and warranties provided by the Sellers under the Sale and Purchase Agreement being true, accurate and complete in all material respects and not misleading as at the date of the Sale and Purchase Agreement and on the Completion Date;
- (ii) each Seller shall have performed and complied in all material respects with all, and not be in breach or default in any material respect under any, agreements, covenants and obligations contained in the Sale and Purchase Agreement that are required to be performed or complied with by it prior to Completion;
- (iii) no judgment, order, decree or injunction having been issued, which would prohibit, restrain or materially affect the consummation of the Acquisition, and no action, suit or proceeding brought by a third party seeking to prohibit, restrain or materially affect such consummation being pending or threatened;

- (iv) each Seller having obtained all necessary consents and approvals required to complete the Acquisition, including all necessary third-party consents;
- (v) from the date of the Sale and Purchase Agreement until Completion, no Material Adverse Change having occurred nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Change;
- (vi) each Seller being the legal and beneficial owner of the Sale Shares held by her free from encumbrances;
- (vii) the Target Company being the sole legal and beneficial owner of the entire issued and fully paid up shares of and in Teamic free from encumbrances; and
- (viii) Teamic being the sole legal and beneficial owner of the entire issued and fully paid up shares of and in Jiahui free from encumbrances.

The Purchaser may in its absolute discretion waive any of the Conditions in whole or in part by giving notice to the Sellers to the extent it is legally entitled to do so. Each Seller shall, and shall procure each member of the Target Group to, use their respective reasonable endeavours to procure the satisfaction of the Conditions as soon as practicable and in any event before the Long Stop Date.

Completion

Subject to the fulfilment (or waiver) of all the Conditions on or before the Long Stop Date and subject to and upon the terms and conditions of the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the financial results, assets and liabilities of the Target Company will be consolidated into the financial statements of the Group.

DETAILS OF THE VALUATION

Qualification of the Valuer

The Company has engaged Masterpiece Valuation Advisory Limited (the “**Valuer**”) which is a professional business consulting company with experienced professionals from accounting, finance and real estate with well-recognised qualifications including but not limited to HKICPA, CFA, MHKIS, RPS and CPV, to conduct an independent valuation of the Sale Shares as at the Valuation Date.

Valuation approach

In arriving at the appraised value of the Target Company, the Valuer applied the market approach, specifically the comparable company method, to determine the fair value of the equity interest as of 8 May 2026, being the Valuation Date. In selecting the valuation methodology, the Valuer considered three generally accepted valuation approaches, namely the income approach, the cost approach, and the market approach.

The cost approach was deemed inappropriate as it assumes separable assets and liabilities, which is more suited to industries with highly liquid assets such as real estate developers or financial institutions. The income approach was also considered unsuitable due to the reliance on subjective assumptions and financial projections, which introduce significant uncertainty.

The market approach was the most appropriate methodology, given the availability of actively traded, substantially similar equities in the public markets and observable transaction data for comparable companies. This method relies on market-derived multiples from publicly listed companies engaged in businesses similar to that of the Target Company.

Under the comparable company method, the Valuer identified a set of comparable publicly listed companies and calculated the enterprise value-to-earnings before interest, taxes, depreciation, and amortization (“**EV/EBITDA**”) multiple for each. The median EV/EBITDA multiple was then applied to the Target Company’s EBITDA (based on latest twelve months to 31 December 2025). Further adjustments were made for cash and debts to derive the equity value. A lack of marketability discount and a control premium were also applied to reflect the privately held nature of the Target Company and the controlling interest being valued.

Valuation Assumptions of Business Enterprise Value Analysis

General assumptions

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;
- It is assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values and there are no changes in market conditions after the Valuation Date;
- The Target Company operates continuously as a going concern;
- There is no material change to the national macro-economic, industrial and regulation development policies;

- There is no material change to the relevant tax base and tax rates after the Valuation Date;
- The management of the Target Company is responsible and stable, and is capable of its undertakings after the Valuation Date;
- The Target Company fully complies with all relevant laws and regulations; and
- There is no force majeure which has material adverse effects on the Target Company.

Selection Criteria for Comparable Companies

Comparable company method was selected as the method for appraising the value of the Target Company. By adopting comparable company method, the appropriate comparable public companies were selected by the Valuer. The selection of the comparable companies was based on the comparability of the overall industry sector.

Comparable companies were identified and selected by the Valuer based on the following criteria:

- The primary business of the comparable public companies is property management services, with over 50% of their revenues coming from these activities;
- The revenue is primarily generated from the PRC, with over 50% of its revenue coming from those geographical segments;
- The comparable public companies are listed on exchange markets in Hong Kong or the PRC;
- The market capitalizations of comparable public companies fall within decile 10 of the CRSP Deciles Size Study from Kroll Cost of Capital, with market capitalizations below USD 351.05 million;
- The financial information of the comparable public companies is publicly available; and
- The enterprise values and the earnings before interest, taxes, depreciation, and amortization of the comparable public companies are positive.

An exhaustive list of 11 comparable companies satisfying the above selection criteria was identified. Details of the comparable companies are as follows:

No.	Company Name	Company Ticker	Stock Exchange	Business Description	Business/Revenue Segment	Geographic Segment (Revenue generated from the PRC)
1	Nacity Property Service Group Co., Ltd.	603506-CN	Shanghai Stock Exchange	Nacity Property Service Group Co., Ltd. provides basic property services, field and value-added services.	— Property Management Services: 89.5% — Community Value-added Services: 9.3% — Others: 1.2%	100%
2	New Hope Service Holdings Limited	3658-HK	The Stock Exchange of Hong Kong	New Hope Service Holdings Limited is an investment company, which engages in the provision of property management and value-added services. The Property Management Services segment offers property management services to residential properties, commercial properties, and other types of non-residential properties. The Lifestyle Services segment consists of community living services, community asset management services, online and offline retail services, and catering services.	— Property Management Services: 61.6% — Lifestyle: 24.7% — Others: 13.7%	100%
3	Zhongtian Service Co., Ltd.	002188-CN	Shenzhen Stock Exchange	Zhongtian Service Co., Ltd. engages in the provision of property management and supporting services.	— Property Management & Supporting Services: 88.7% — On-site Services: 6.4% — Others: 4.9%	100%
4	Desun Real Estate Investment Services Group Co., Ltd.	2270-HK	The Stock Exchange of Hong Kong	Desun Real Estate Investment Services Group Co., Ltd. engages in the provision of property management services, value-added services to non-property owners and value-added services for property owners.	— Property Management services: 65.9% — Asset Operation services: 30.5% — Investment and Development segment: 3.6%	100%

No.	Company Name	Company Ticker	Stock Exchange	Business Description	Business/Revenue Segment	Geographic Segment
						(Revenue generated from the PRC)
5	Zhong An Intelligent Living Service Limited	2271-HK	The Stock Exchange of Hong Kong	Zhong An Intelligent Living Service Limited is a holding company, which engages in the provision of property management services. It also offers value-added services mainly to property developers and community value-added services to customers.	— Property Management Services: 80.4% — Community Value-added Services: 11.4% — Others: 8.2%	100%
6	Sundy Service Group Co. Ltd.	9608-HK	The Stock Exchange of Hong Kong	Sundy Service Group Co. Ltd. operates as an investment holding company. It operates through Property Management Services and the Corresponding Value-Added Services; and Hotel Business Services segments.	— Property Management Services & Corresponding Value-Added Services: 91.8% — Hotel Business: 8.2%	100%
7	Dowell Service Group Co. Limited	2352-HK	The Stock Exchange of Hong Kong	Dowell Service Group Co. Limited provides investment services through three business lines such as property management services, residential properties to property developers and non-residential properties, such as commercial properties, hospitals, governmental buildings and schools, to property owners or enterprises that operate in such premises.	— Property Management Services: 74.6% — Lifestyle Services: 14.1% — Others: 11.3%	100%
8	Central China New Life Limited	9983-HK	The Stock Exchange of Hong Kong	Central China New Life Limited is an investment holding company, which engages in the provision of property management services, value-added services, lifestyle services, and commercial property management and consultation services.	— Property Management & Related Services: 87.8% — Goods: 8.3% — Others: 3.9%	100%
9	Redco Healthy Living Company Limited	2370-HK	The Stock Exchange of Hong Kong	Redco Healthy Living Company Limited is an investment holding company, which engages in the provision of diversified services through three business lines, namely, property management services, value added services to non-property owners, and community value added services.	— Property Management Services: 96.7% — Others: 3.3%	100%

No.	Company Name	Company Ticker	Stock Exchange	Business Description	Business/Revenue Segment	Geographic Segment (Revenue generated from the PRC)
10	Jiayuan Services Holdings Limited	1153-HK	The Stock Exchange of Hong Kong	Jiayuan Services Holdings Limited engages in the provision of property management services. It also offers value-added services to property developers and community value-added services.	— Property Management Services: 93.2% — Community Value-added Services: 5.9% — Value-added Services: 0.9%	100%
11	Gangyu Smart Urban Services Holding Limited	265-HK	The Stock Exchange of Hong Kong	Gangyu Smart Urban Services Holding Limited is an investment holding company. It is principally engaged in the property management and leasing services businesses for residential and commercial properties, the environmental hygiene businesses, the integrated development businesses and the diversified tourism products and services businesses.	— Property Management Services: 59.8% — Environmental Hygiene: 38.9% — Integrated Development: 1.3%	100%

Source: FactSet and annual reports of the comparable companies.

Key Input of Valuation

EV/EBITDA Multiple

The EV/EBITDA multiple was selected as the primary valuation metric for the following reasons:

- EBITDA captures the operating earnings of a business before the effects of capital structure, taxation and non-cash charges, making it a widely accepted and comparable measure of operating performance for property management companies;
- A sufficient number of comparable publicly listed companies with observable and positive EV/EBITDA multiples were available in the market; and
- The Target Company has a track record of positive EBITDA and generates relatively stable cash flows from its property management operations.

The Valuer utilized the median EV/EBITDA multiple from the set of comparable companies, as opposed to the average for the reason that while median and average share the same role in understanding the central tendency of a set of numbers, median, which would not be affected by extreme values, is regarded as a better mid-point measure for skewed number distributions. Hence, median is adopted to derive the result, which the Valuer considered to be a more reasonable approach to prevent the outliers from distorting the result.

The EV/EBITDA multiples, along with the enterprise value and EBITDA figures of the following comparable companies (based on last twelve-month data to 31 December 2025 available as of the Valuation Date), are listed in the table below:

No	Company Name	Currency	Enterprise Value ("EV") as of Valuation Date ⁽¹⁾	Last Twelve months ("LTM") till 31 December 2025 EBITDA ⁽²⁾	EV/EBITDA
1	Nacity Property Service Group Co., Ltd.	RMB million	1,562	185	8.4x
2	New Hope Service Holdings Limited	HK\$ million	640	333	1.9x
3	Zhongtian Service Co., Ltd.	RMB million	2,045	39	52.6x (outlier) ⁽⁵⁾
4	Desun Real Estate Investment Services Group Co., Ltd.	HK\$ million	2,677	96	28.0x
5	Zhong An Intelligent Living Service Limited	HK\$ million	1,333	47	28.2x
6	Sundy Service Group Co. Ltd	HK\$ million	17	39	0.5x
7	Dowell Service Group Co. Limited	HK\$ million	36	68	0.5x
8	Central China New Life Ltd.	HK\$ million	144	304	0.5x
9	Redco Healthy Living Company Limited	HK\$ million	113	16	7.0x
10	Jiayuan Services Holdings Limited	HK\$ million	227	188	1.2x
11	Gangyu Smart Urban Services Holdings Limited	HK\$ million	483	65	7.5x
Median excluding outlier Before LoMD and Control Premium					4.47x
Lack of Marketability Discount ("LoMD")					15.7%
Control Premium					18.6%
Median excluding outlier After LoMD and Control Premium					4.47x

Notes:

- (1) Data sourced from FactSet and annual reports of the comparable companies. The enterprise value of the comparable companies is computed based on the market capitalization of the companies and the latest financial data of the comparable companies till 31 December 2025 available as of 8 May 2026.
- (2) Data sourced from FactSet. EBITDA of the comparable companies is based on the latest twelve months financial data of the comparable companies till 31 December 2025 available as of 8 May 2026.

Valuation Adjustments

Lack of Marketability Discount (“LoMD”)

LoMD reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company. The EV/EBITDA multiple adopted in the valuation was calculated from public listed companies, which represents marketable ownership interest. Fair value calculated using such EV/EBITDA multiple, therefore, represents the marketable interest. Thus, LoMD was adopted to adjust such marketable interest fair value to non-marketable interest fair value. Since an interest in a privately-held company is worth less because no established market exists. Thus, the Valuer made an adjustment from the value observed in the market approach to account for the lack of marketability in the ownership interest of Target Company. The adjustment is the discount for lack of marketability.

The report “Stout Restricted Stock Study Companion Guide (2025 edition)” by Stout Risius Ross, LLC, a reputable research company, suggested a median marketability discount is about 15.7%. The Valuer considered that a marketability discount of 15.7% is appropriate and suitable for this Valuation as the Target Company is a privately held company.

The value of non-marketable interest can be calculated from marketable interest using the following formula:

$$\text{Fair Value of Non-Marketable Interest} = \text{Fair Value of Marketable Interest} \times (1 - \text{LoMD})$$

Control premium

Control premium is the amount that a buyer is willing to pay over the minority equity value of the company in order to acquire a controlling interest in that company. The EV/EBITDA multiple adopted in the valuation was calculated from public listed companies, which represents minority ownership interest; market value calculated using such EV/EBITDA multiple, therefore, represents the minority interest. Thus, control premium was adopted to adjust such minority interest market value to controlling interest market value.

Adjustment for control is made by the application of a control premium to the value of the Target Company's shares. The report "Control Premium Study: 4th Quarter 2025" by FactSet Mergerstat, LLC, a reputable research company, suggested that a median control premium for the Invested Capital is about 18.6%. The Valuer considered that a control premium of 18.6% appropriate and suitable for this Valuation as the Company intends to acquire a controlling stake in the Target Company.

The value of controlling interest can be calculated from minority interest using the following formula:

$$\text{Fair Value of Controlling Interest} = \text{Fair Value of Minority Interest} \times (1 + \text{Control Premium})$$

Combining the adjustments on LoMD and control premium,

$$\text{Adjusted EV/EBITDA multiple} = \text{EV/EBITDA multiple} \times (1 - \text{LoMD}) \times (1 + \text{Control Premium})$$

Exclusion of Outlier

Based on the list of comparable companies, the EV/EBITDA multiples range from a minimum of 0.5x to a maximum of 52.6x. The Valuer established a range of plus or minus one standard deviation from the mean for the comparable companies' multiples. As Zhongtian Service Co., Ltd. was confirmed to fall outside this interval, the Valuer concluded that it is an outlier. The median EV/EBITDA multiple before LoMD and Control Premium for the ten comparable companies, excluding the outlier, is 4.47x.

Valuation Result

Based on the foregoing analysis and assumptions, the fair value of 100% equity interest in the Target Company as of the Valuation Date, as assessed by the Valuer, is summarised as follows:

EBITDA of the Target Company (RMB) ⁽¹⁾	5,805,145
Adjusted Median EV/EBITDA Multiple ⁽²⁾	4.47x
Estimated 100% Enterprise Value of the Target Company (RMB) ⁽⁵⁾	25,935,252
Add: Cash (RMB) ⁽³⁾	—
Less: Debts (RMB) ⁽⁴⁾	—
100% Equity Value of the Target Company (RMB)⁽⁵⁾	25,935,252
100% Equity Value of the Target Company (RMB), rounded	26,000,000

Notes:

- (1) EBITDA refers to the earnings before interest, tax, depreciation and amortization for the financial year ended 31 December 2025 (i.e., for the period from 1 January 2025 to 31 December 2025), as reported in the Target Company's unaudited financial statements.
- (2) The adjusted median EV/EBITDA multiple of 4.47x is derived from the comparable company method after the application of the LoMD and Control Premium adjustments excluding the outlier's data as described above.
- (3) Cash refers to the cash on hand or in banks. It is unrelated to the regular operational activities. Cash is based on the 31 December 2025 financial statement with an adjustment according to the management of the Company, this cash balance will be cleared upon completion of the transaction.
- (4) Debts of the Target Company as of 31 December 2025 are unrelated to the regular operational activities.
- (5) Figures may not sum exactly due to rounding. The 100% enterprise value and equity value of the Target Company, as determined by the Valuer, are approximately RMB25,935,252.

View of the Board on the Valuation

The valuation report prepared by the Valuer has been reviewed by the Directors to assist the determination of the consideration of the Acquisition. The Directors concur with the Valuer's view that the market approach is the most appropriate valuation approach to determine the value of the Target Company, as it is a commonly accepted valuation method which reflects market expectations for the corresponding industry by considering price multiples of comparable companies derived from market consensus. Since there are sufficient comparable public companies in similar industries and business models as the Target Company, their market values serve as good indicators of the industry of the property management business.

Furthermore, the Directors have reviewed the selected comparable companies and noted that their principal business activities are in property management services in the PRC, with a substantial portion of their revenues derived from such activities and in the PRC. Therefore, the companies selected possess suitably similar operational and geographical characteristics to the Target Company and constitute a fair and representative peer group for comparative analysis. The Directors also agree that using the EV/EBITDA multiple is appropriate as it effectively neutralizes the effects of different capital structures and depreciation policies among peers. The Directors consider the adoption of the median multiple to be a reasonable, prudent, and commonly accepted practice to mitigate the influence of potential outliers.

The Directors (including the independent non-executive Directors) are of the view that the Valuation provides an objective assessment of the fair value of 100% equity interest in the Target Company, having applied the market approach with reference to observable market data from comparable publicly listed companies. The Directors have carefully reviewed the basis, assumptions and methodology of the Valuation and considers that (i) the selection of the comparable companies and the EV/EBITDA multiple as the primary valuation metric are appropriate; (ii) the adjustments made for lack of marketability and control premium are reasonable; and (iii) the Valuer's conclusion of approximately RMB26,000,000 as the 100% equity value of the Target Company is reasonable and fair.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company incorporated in the BVI with limited liability on 26 April 2024. The Target Group is principally engaged in the property management business in the PRC. As at the date of this announcement, the Target Company directly holds 100% of the total issued share capital of Teamic, which in turn directly holds 100% of the total issued share capital of Jiahui.

Teamic is a private company limited by shares incorporated in Hong Kong, and is an investment holding company holding 100% of the issued share capital of Jiahui.

Jiahui is a limited liability company established in the PRC on 7 May 2003. Jiahui is a property management company having its main business operations in Guangdong-Hong Kong-Macao Greater Bay Area of the PRC, and has a number of property management projects in this region. As at the date of this announcement, Jiahui had a total of five property management projects under its management with approximately 500,000 sq.m. of total contracted GFA and 500,000 sq.m. of total GFA under management.

Set out below is the consolidated financial information of the Target Group based on its unaudited consolidated financial statements for the years ended 31 December 2024 and 31 December 2025 prepared in accordance with Chinese Accounting Standards:

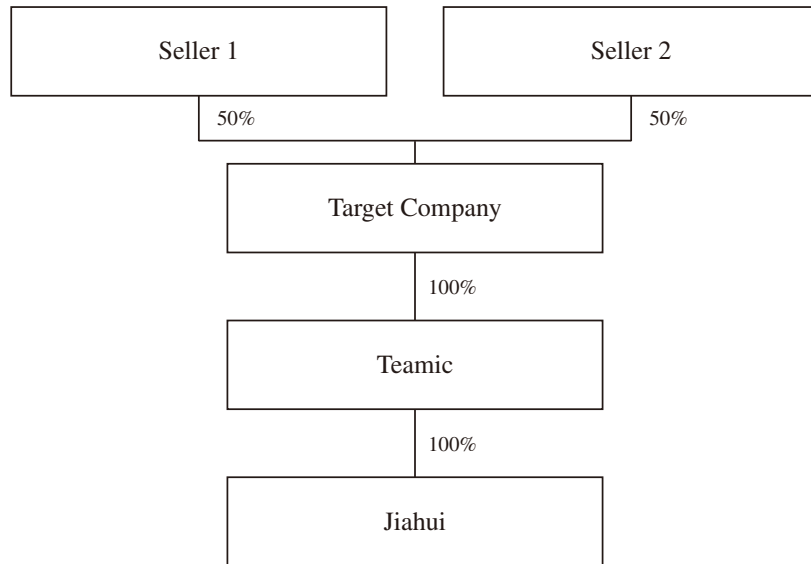
	For the year ended 31 December 2025 (Unaudited) RMB'000	For the year ended 31 December 2024 (Unaudited) RMB'000
Revenue	19,664	17,941
Net profit before taxation	5,787	3,555
Net profit after taxation	5,708	3,519

As at 31 December 2025, the unaudited consolidated net asset value of the Target Group was approximately RMB8,564,000.

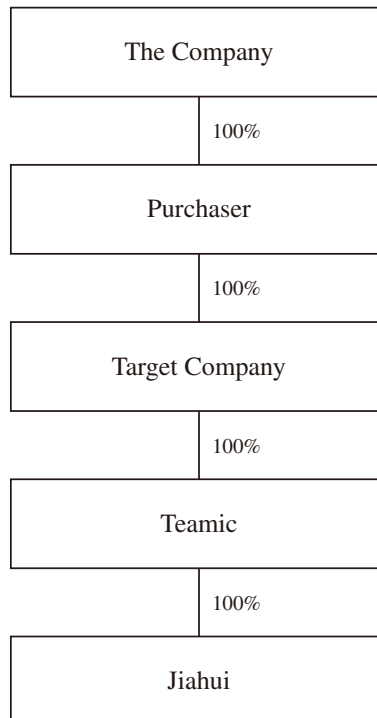
Shareholding and corporate structure of the Target Group

The following charts illustrate the shareholding structure of the Target Company (i) immediately before Completion and (ii) immediately upon Completion, respectively.

(i) Immediately before Completion:



(ii) Immediately upon Completion:



INFORMATION ON THE SELLER

Each of the Sellers is a Hong Kong citizen and holds 50% of the issued share capital of the Target Company. To the best knowledge, information and belief of the Directors after having made reasonable enquiries, the Sellers are Independent Third Parties.

INFORMATION ON THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in (i) development and sales of residential properties in Dongguan, Huizhou and Foshan, the PRC; and (ii) culture and creation related business.

The Purchaser is an investment holding company incorporated in the BVI and a direct wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a boutique residential property developer which is mainly engaged in the development and sales of residential properties in the developing residential markets in Dongguan, Huizhou and Foshan in the PRC. While property development remains its core business, the Group is taking gradual steps to diversify into complementary business segments such as cultural tourism and creative businesses, with a view to broadening its income base and enhancing the long-term resilience and value of its business portfolio over the long term.

The Board considers that the Acquisition represents a strategic opportunity for the Group to diversify its existing business portfolio and expand into the property management business, which is complementary to the Group's existing principal business of property development. The Directors believe that the Acquisition will enable the Group to (i) broaden its revenue base and reduce its reliance on the property development business and sales over time, thereby enhancing the resilience of the Group's business against market fluctuations; (ii) extend the Group's business coverage from property development and sales to post-delivery property management and related services, which are an integral part of the real estate value chain and may provide the Group with a more stable and recurring source of service income as compared with income generated from property development and sales, which is generally more project-based and subject to market cycles; and (iii) create potential synergies between the Group's existing property development and theme park business and the property management business of the Target Group. In particular, the Group may leverage its experience in residential property development and its established presence in

the relevant regional markets to support the future development of the Target Group, while the Target Group's property management capabilities may enhance the Group's overall service offering and customer experience in respect of its property development and theme park projects. In addition, the Directors are of the view that the Acquisition will strengthen the Group's competitive position in the real estate industry value chain and is in line with the Group's long-term development strategy.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Completion is subject to the fulfilment (or waiver) of the Conditions on or before the Long Stop Date. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Sellers pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“Company”	KRP Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 2421)
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date where completion of the Sale and Purchase Agreement takes place in accordance with its terms
“Condition(s)”	the condition(s) precedent set out in the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third party(ies) and their ultimate beneficial owner(s) (if applicable) which are independent of the Company and its connected persons (as defined under the Listing Rules)

“Jiahui”	Dongguan City Jiahui Property Management Ltd* (東莞市嘉輝物業管理有限公司), a company established under the laws of the PRC, a direct wholly-owned subsidiary of Teamic
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	a date falling on 3 months after the date of the Sale and Purchase Agreement (or such other date as the parties to the Sale and Purchase Agreement may agree in writing)
“Material Adverse Change”	any event, circumstance or change which has or would reasonably be expected to have a material adverse effect on (i) the business, assets, financial condition, results of operations or prospects of the Target Group taken as a whole; or (ii) the ability of the Sellers to perform their obligations under the Sale and Purchase Agreement; or (iii) the validity or enforceability of the Sale and Purchase Agreement and any other documents entered into pursuant to or in connection with the Sale and Purchase Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Benefit Master Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 July 2026 entered into between the Purchaser and the Sellers in relation to the Acquisition
“Sale Shares”	100% of the total issued share capital of the Target Company
“Seller 1”	Lam Ka Kei
“Seller 2”	Lam Ka Man
“Sellers”	collectively, Seller 1 and Seller 2

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Teamic”	Teamic Property Management Co. Limited, a company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of the Target Company
“Target Company”	Holly Trent Investment Holdings Limited, a company incorporated in the BVI with limited liability
“Target Group”	collectively, the Target Company, Teamic and Jiahui
“Valuation”	the valuation of the fair market value of 100% of the equity interest of the Target Company as at the Valuation Date assessed by the Valuer
“Valuation Date”	8 May 2026
“Valuer”	Masterpiece Valuation Advisory Limited, an independent valuer appointed by the Company for conducting the Valuation
“%”	per cent

* *For identification purposes only*

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

Hong Kong, 10 July 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; the independent non-executive Directors are Mr. Choi Wai Hin, Mr. Yam Chung Shing and Ms. Leung Man Lai, Lily.

For the purposes of illustration only, any amounts denominated in “RMB” in this announcement were translated into HK\$ at the rate of RMB1.00 = HK\$1.15. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.