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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)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

FINANCIAL HIGHLIGHTS

	For the six months ended 30 September		
	2026	2025	Changes in %
Revenue *(RMB'000)*	**59,614**	68,818	-13%
Profit before taxation excluding valuation losses on investment properties *(RMB'000)*	**11,236**	20,940	-46%
Valuation losses on investment properties *(RMB'000)*	**—**	(1,973)	—
Profit before taxation *(RMB'000)*	**11,236**	18,967	-40%
Profit for the period attributable to equity shareholders of the Company *(RMB'000)*	**5,395**	10,042	-46%
Basic and diluted earnings per share *(RMB cents)*	**1.1**	2.0	-45%

The board (the "**Board**") of directors (the "**Directors**") of KRP Development Holdings Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively "**we**" or the "**Group**") for the six months ended 30 September 2026 (the "**Period**"), together with the comparative figures for the corresponding period of 2025, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

(Expressed in Renminbi ("RMB"))

	Note	**30 September 2026** ***RMB'000*** **(Unaudited)**	31 March 2026 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**111,926**	94,450
Investment properties		**112,694**	112,694
Intangible assets	*11*	**9,200**	—
Goodwill	*8*	**6,993**	—
Deferred tax assets		**127,166**	125,167
		367,979	332,311
Current assets			
Inventories and other contract costs	*9*	**806,535**	825,492
Prepayments, deposits and other receivables		**32,121**	21,947
Restricted bank deposits		**2,269**	2,269
Cash and cash equivalents		**207,989**	216,198
		1,048,914	1,065,906
Current liabilities			
Trade and other payables	*10*	**39,239**	28,739
Contract liabilities		**5,252**	4,587
Lease liabilities		**892**	877
Current tax payable		**445,234**	443,900
		490,617	478,103
Net current assets		**558,297**	587,803
Total assets less current liabilities		**926,276**	920,114

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 September 2026

(Expressed in RMB)

	30 September 2026	31 March 2026
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current liabilities		
Provision for long service payments payables	**10**	10
Lease liabilities	**25,760**	26,210
Deferred tax liabilities	**21,603**	19,870
	47,373	46,090
NET ASSETS	**878,903**	874,024
CAPITAL AND RESERVES		
Share capital	**4,394**	4,394
Reserves	**874,509**	869,630
TOTAL EQUITY	**878,903**	874,024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2026

(Expressed in RMB)

	Note	For the six months ended 30 September	
		2026	2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**59,614**	68,818
Cost of sales and services		**(28,575)**	(31,192)
Gross profit		**31,039**	37,626
Other net income and gains		**2,164**	3,339
Selling and distribution expenses		**(7,670)**	(6,927)
General and administrative expenses		**(14,341)**	(14,538)
Valuation losses on investment properties		**—**	(1,973)
Operating profit		**11,192**	17,527
Finance income		**515**	1,601
Finance costs		**(471)**	(161)
Finance income, net	*5*	**44**	1,440
Profit before taxation		**11,236**	18,967
Income tax expenses	*6*	**(5,841)**	(8,925)
Profit for the period		**5,395**	10,042
Earnings per share — Basic and diluted *(RMB Cents)*	*7*	**1.1**	2.0

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2026

(Expressed in RMB)

	For the six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**5,395**	10,042
Other comprehensive (loss)/income for the period:		
Item that will not be reclassified subsequently to profit or loss:		
Exchange difference on translation of the Company's financial statements to presentation currency	**936**	(161)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of operations outside Chinese Mainland other than the Company	**(1,452)**	533
Total other comprehensive (loss)/income for the period	**(516)**	372
Total comprehensive income for the period	**4,879**	10,414

NOTES:

1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements (the "**Interim Financial Statements**") have been prepared in accordance with the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The preparation of the unaudited Interim Financial Statements in conformity with HKAS 34 requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. The unaudited Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2026, and therefore, do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("**HKFRSs**"), HKAS and Interpretations as issued by the HKICPA.

The unaudited Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the annual consolidated financial statements for the year ended 31 March 2026 (the "**2026 Annual Financial Statements**"), except for the accounting policy changes that are effective during the period. Details of any changes in accounting policy are set out in note 2.

The financial information relating to the year ended 31 March 2026 that is included in this announcement of the unaudited Interim Financial Statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The unaudited Interim Financial Statements should be read in conjunction with the Group's 2026 Annual Financial Statements.

The unaudited Interim Financial Statements are presented in RMB and all amounts have been rounded to the nearest thousand ("**RMB'000**"), unless otherwise indicated.

The measurement basis used in the preparation of the unaudited Interim Financial Statements is historical cost except for investment properties which are measured at fair value.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and/or amended HKFRS Accounting Standards as issued by the HKICPA to the Interim Financial Statements for the current accounting period:

- Amendments to HKFRS 9 and HKFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to HKFRS Accounting Standards, *Volume 11*
- Amendments to HKFRS 9 and HKFRS 7, *Contracts Referencing Nature-dependent Electricity*

None of the amendments have had a material effect on how the Group's result and financial position for the current and prior periods have prepared or presented in the Interim Financial Statements. The Group has not applied any new and/or amended HKFRS Accounting Standards that is not yet effective for current accounting period.

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 in assessing their performances. 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;

(ii) Property management business; and

(iii) Culture and creation related business.

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

As 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 capital expenditures are attributed to the segments based on the locations of the assets.

3 SEGMENT INFORMATION (Continued)

(a) By Business Segments

For the six months ended 30 September 2026 (Unaudited)

	Property development business *RMB'000*	Property management business *RMB'000*	Culture and creation related business *RMB'000*	Total *RMB'000*
Segment revenue	**47,816**	**2,267**	**9,531**	**59,614**
Segment results	**16,752**	**405**	**(3,110)**	**14,047**
Unallocated other corporate expenses				(3,326)
Operating profit				10,721
Unallocated finance income				515
Profit before taxation				**11,236**
Income tax expenses				(5,841)
Profit for the period				**5,395**

	Property development business *RMB'000*	Property management business *RMB'000*	Culture and creation related business *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Other segment information:					
Depreciation	337	70	2,362	—	2,769
Interest expenses on lease liabilities	—	—	471	—	471
Short-term lease payments	—	—	—	211	211
Additions of property, plant and equipment	131	—	590	—	721

For the six months ended 30 September 2025 (Unaudited)

The Group had only one operating segment (representing property development business) and accordingly, no segment information is presented for the six months ended 30 September 2025.

3 SEGMENT INFORMATION (Continued)

(b) Geographical information

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

4 REVENUE

Disaggregation of revenue from contracts with customers within HKFRS 15 is as follows:

	For the six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Property development business		
Sales of properties	**47,816**	68,818
Property management business		
Building management fee income	**2,267**	—
Culture and creation related business		
Admission income	**5,722**	—
In-park spending income	**2,451**	—
Merchandise income	**1,358**	—
	9,531	—
	59,614	68,818
Timing of revenue recognition		
At a point in time	**57,347**	68,818
Over-time	**2,267**	—
	59,614	68,818

For the six months ended 30 September 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.

5 FINANCE INCOME, NET

	For the six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance costs		
— Interest expenses on lease liabilities	**471**	161
Finance income		
— Interest income	**(515)**	(1,601)
Finance income, net	**(44)**	(1,440)

6 TAXATION

	For the six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current taxation		
Taxes in Chinese Mainland		
— Provision for Enterprise Income Tax ("**EIT**")	**3,358**	4,674
— Provision for Land Appreciation Tax ("**LAT**")	**4,482**	7,496
	7,840	12,170
Deferred taxation		
Origination and reversal of temporary differences	**(1,999)**	(3,245)
Total income tax expenses	**5,841**	8,925

6 TAXATION (Continued)

Notes:

(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 six months ended 30 September 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 period for the subsidiaries incorporated in and operated in Hong Kong. No provision for Hong Kong Profits Tax for the period as the subsidiaries incorporated in and operated in Hong Kong did not have any assessable profits for the period.

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

7 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 period.

As there were no potential dilutive ordinary shares during the six months ended 30 September 2026 and 2025, the amount of diluted earnings per share is same as basic earnings per share.

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to equity shareholders of the Company *(RMB'000)*	**5,395**	10,042
Weighted average number of ordinary shares in issue *(in thousand shares)*	**505,365**	505,365
Basic earnings per share *(RMB cents)*	**1.1**	2.0
Diluted earnings per share *(RMB cents)*	**1.1**	2.0

8 GOODWILL

	At 30 September 2026 *RMB'000* (Unaudited)	At 31 March 2026 *RMB'000* (Audited)
Reconciliation of carrying amount		
At the beginning of the reporting period	**—**	—
Additions *(Note 11)*	**6,993**	—
At the end of the reporting period	**6,993**	—
Cost	**6,993**	—
Accumulated impairment loss	**—**	—
	6,993	—

Goodwill arises from the acquisition of 100% equity interest of the Property Management Group (defined in Note 11) at a cash consideration of approximately RMB23,800,000 on 1 September 2026. The excess of the fair value of consideration transferred over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed of approximately RMB6,993,000 was recognised as goodwill.

At the end of the reporting period, the management of the Group considered the Property Management Group represented a separate cash-generating unit ("**CGU**") for the purpose of impairment assessment in respect of the non-current assets of the Property Management Group (the "**Property Management CGU**"), including goodwill of approximately RMB6,993,000, property, plant and equipment of approximately RMB19,554,000 and intangible assets of approximately RMB9,200,000.

The recoverable amount of the Property Management CGU was assessed with reference to a value-in-use calculation based on the cash flow projection and its recoverable amount exceeded its carrying amount. Accordingly, no impairment loss was recognised for the six months ended 30 September 2026.

9 INVENTORIES AND OTHER CONTRACT COSTS

	At 30 September 2026 *RMB'000* (Unaudited)	At 31 March 2026 *RMB'000* (Audited)
Properties under development for sale	**234,943**	232,341
Completed properties held for sale	**569,191**	590,973
Finished goods and other operating items for culture and creation related business	**2,327**	1,526
	806,461	824,840
Other contract costs	**74**	652
	806,535	825,492

10 TRADE AND OTHER PAYABLES

	At 30 September 2026 *RMB'000* (Unaudited)	At 31 March 2026 *RMB'000* (Audited)
Trade payables to third parties	**2,103**	4,740
Other payables		
Salary payables	**3,786**	1,950
Other payables and accruals	**12,260**	9,552
Payables for purchase of property, plant and equipment	**21,090**	12,497
	37,136	23,999
	39,239	28,739

The trade payables were unsecured, interest-free and with normal credit terms up to 60 days (31 March 2026: up to 60 days).

10 TRADE AND OTHER PAYABLES (Continued)

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

	At 30 September 2026	At 31 March 2026
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 30 days	**846**	1,026
31–90 days	**513**	3,700
91–180 days	**397**	14
181–365 days	**347**	—
	2,103	4,740

11 ACQUISITION OF SUBSIDIARIES

On 10 July 2026, Benefit Master Limited ("**Benefit Master**"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with two independent third parties (the "**Vendors**"), pursuant to which, Benefit Master agreed to acquire and the Vendors agreed to sell the entire equity interest of Holly Trent Investment Holdings Limited and its subsidiaries (collectively referred to as the "**Property Management Group**") at a cash consideration of approximately RMB23,800,000 (the "**Acquisition**").

The Acquisition was completed on 1 September 2026 (the "**Acquisition Date**") and the Property Management Group has become wholly-owned subsidiaries of the Group. The principal activity of the Property Management Group is provision of property management and related services in Chinese Mainland.

The Group's management considered that the Acquisition constituted a business combination and had been accounted for using the acquisition method of accounting under HKFRS 3 (Revised) "*Business Combinations*".

11 ACQUISITION OF SUBSIDIARIES (Continued)

The following summaries the consideration paid and the amounts of the identifiable assets acquired and liabilities assumed at the Acquisition Date:

	RMB'000 **(Unaudited)**
Consideration paid, satisfied by:	
Cash paid	**23,800**

	RMB'000 **(Unaudited)**
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	**19,554**
Intangible assets	**9,200**
Deferred tax assets	**553**
Prepayment, deposits and other receivables	**2,800**
Cash and bank balances	**3,414**
Trade and other payables	**(14,358)**
Contract liabilities	**(2,056)**
Deferred tax liabilities	**(2,300)**
Total identifiable net assets	**16,807**
Goodwill arising on the Acquisition	**6,993**
	23,800

	RMB'000 **(Unaudited)**
Net cash outflows from the Acquisition:	
Net cash acquired from the Property Management Group	3,414
Consideration paid	(23,800)
	(20,386)

12 DIVIDENDS

The Board does not recommend the payment of interim dividend to shareholders of the Company for the six months ended 30 September 2026 and 2025.

Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2026 (the "**Period**") (for the six months ended 30 September 2025 interim dividend: Nil).

BUSINESS REVIEW

1. The revenue of the Group for the Period amounted to approximately RMB59,614,000 (for the six months ended 30 September 2025: approximately RMB68,818,000), which decreased by approximately 13% as compared with that of the corresponding period last year. Profit attributable to the equity shareholders of the Company amounted to approximately RMB5,395,000 (for the six months ended 30 September 2025: approximately RMB10,042,000), which decreased by approximately 46% as compared with that of the corresponding period last year. Such decrease is mainly attributable to (i) the continued adjustment in the real estate market in the People's Republic of China (the "**PRC**"), with weak market demand, resulting in a decrease in the Group's property sales scale and revenue recognized from properties delivered as compared with the corresponding period last year; and (ii) the Group's adjustment in proactive pricing strategy of certain projects in response to the current market environment, resulting in a decline in the overall gross profit margin and profit attributable to the equity shareholders of the Company as compared with the corresponding period last year.

2. As at 30 September 2026, the Group had land bank of approximately 219,247 square meter ("**sq.m.**") (as at 31 March 2026: 222,475 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. In addition, the Group has a potential land reserve located in Yantian Village, Fenggang Town, Dongguan, the PRC, which is currently used as industrial land with a total land area of approximately 23,862 sq.m..

3. 13 units of a three-old renewal residential project, Phase 4 of Castfast Villas, Dongguan were delivered and a revenue of approximately RMB19,399,000 was recorded correspondingly, with a total area of approximately 1,271 sq.m. and an average selling price of approximately RMB16,600 per sq.m. during the Period.

4. 13 units of another three-old renewal residential project, Phase 5 of Castfast Villas, Dongguan were delivered and a revenue of approximately RMB25,944,000 was recorded, with a total area of approximately 1,490 sq.m. and an average selling price of approximately RMB18,980 per sq.m. during the Period.

5. In terms of the Foshan Project, the Group continued to maintain communication with the relevant government departments, and paid close attention to the changes in the demand and supply and policies of the local real estate market. The Group will prudently evaluate the market environment, project development conditions and funding arrangements, and proceed with the subsequent development in due course, so as to improve the efficiency of resources allocation and control investment risks.

6. In order to maintain information transparency, the Company issued a profit warning announcement on 30 October 2026 for its unaudited condensed consolidated results for the six months ended 30 September 2026, which indicated a decrease of approximately 50% in profit attributable to the equity shareholders of the Company as compared with that of the corresponding period last year.

7. During the Period, the PRC real estate market was still in a stage of adjustment and bottoming out. Although the central government and local governments continued to introduce measures such as stabilizing the real estate market, de-stocking and supporting reasonable needs for housing, market confidence and property purchase demand have yet to be recovered. The sales areas and sales amounts of commercial properties newly constructed nationwide decreased year-on-year, while the scale of real estate development and investment and new projects commenced also continued to shrink, reflecting that the industry was still facing certain pressure.

   Affected by market conditions, the Group's property sales and deliveries decreased during the Period, resulting in a decrease in revenue and earnings as compared with that of the corresponding period last year. Following the gradual implementation of relevant policies, some markets have shown signs of inventory absorption, however, the overall recovery may still take time. The Group will continue to adopt a sales strategy of balanced quantity and price to accelerate de-stocking and capital returns and maintain stable operations through lean management and cost control.

8. The Group continued to promote the development of its cultural tourism business to extend its sources of income other than real estate sales. Since its launch of the "Lingnan Kungfu Culture Theme Night Tour (嶺南功夫文化主題夜遊)" project in December 2025, Long Feng Villa Film and Television Tourism Area (龍鳳山莊影視旅遊區) in Dongguan has enriched the cultural tourism and leisure consumption offerings of its theme park by featuring Lingnan culture and Chinese kung fu, combined with real-scene performances, light and shadow technology and interactive experience.

During the Period, the project recorded approximately 107,000 attendances. As it was still in the stage of content optimization and operation adjustment, a segment loss of approximately RMB3,110,000 for the culture and creation related business was recorded. The Group will continue to enhance operational efficiency and, based on the existing night tour project, gradually enrich daytime performances, parent-child amusement, outdoor leisure and seasonal themed activities, improve catering, retail and consumer ancillary facilities, with a view to broadening the customer base, enhancing visitor experience and in-park consumption, and striving to improve the project's profitability.

9. The Group has been actively expanding its culture and creation related business. Its creative building block brand, KALOS BLOCKS, with Hong Kong local designers at its core, combines creative design, trendy culture and building block craftsmanship, and is committed to building a trendy lifestyle brand targeting young and adult consumer groups. The product offerings include series such as iconic keychain pendants, blind boxes, interactive desktop ornaments and collectible large ornaments, extending traditional building blocks to diverse consumption scenarios such as personalized accessories, trendy collectibles and lifestyle products by consolidating lighting, sound effects and electronic interactive elements. The prices of products cover different consumer levels, ranging from approximately HK$80 to over HK$2,000. The Group also actively collaborates with internationally renowned IPs, including Coca-Cola, the popular film and television work "Squid Game", the Hong Kong movie "Twilight of the Warriors: Walled In" and Japanese anima IPs, and introduces special products in collaboration with local and overseas artists and illustrators, receiving positive market response and gradually establishing the brand's reputation and foundation in the Hong Kong market.

   Growing demand among young consumers for personalized, cultural and creative, and IP-based collectible products is driving continued expansion of the art toy and collectible toy market. According to an industry report, PRC's art toy and collectible toy retail market is expected to reach RMB67.69 billion in 2025, increased by approximately 45.4% year-on-year. Leveraging the creativity of Hong Kong's design talents, IP partnership resources, the Group believed that KALOS BLOCKS is well-positioned to capitalize on market opportunities. Looking ahead to 2027, the brand plans to launch more innovative products and collaboration projects, expand further in the Greater China market, explore Southeast Asia and other overseas markets, and steadily strengthen its brand influence and business scale.

10. To promote business diversification and expand sustainable income sources, a direct wholly-owned subsidiary of the Company entered into a sale and purchase agreement on 10 July 2026 to conditionally agree to acquire 100% equity interest in Holly Trent Investment Holdings Limited ("**Holly Trent**") at a total consideration of approximately RMB23,800,000 (equivalent to approximately HK$27,370,000) (the "**Acquisition**"). Holly Trent is principally engaged in the provision of property management and related services in Chinese Mainland. As the Acquisition was completed on 1 September 2026, Holly Trent became an indirect wholly-owned subsidiary of the Company, and its financial results, assets and liabilities have been consolidated into the Group's financial statements from the date of completion.

    The Acquisition marked the further extension of the Group's business into the property management services sector, helping broaden its revenue base, establish a more stable recurring source of income, and create synergies with its existing real estate and asset operation business. As the Acquisition was completed towards the end of the Period, the contribution from the relevant business to the profit for the Period was limited. The Group will gradually proceed with business integration, enhance service quality and operational efficiency, so as to strengthen the sustainability of long-term income.

11. The Group has consistently adhered to a prudent and sound financial management strategy, continuously maintained a net cash position, and strengthened its cash flow management and capital allocation based on the principles of capital security and operational efficiency. During the Period, the Group actively accelerated the collection of proceeds from property sales, strictly controlled operating expenses, and carefully assessed the investment needs and expected returns of new businesses to maintain a healthy financial structure and adequate liquidity.

    The Group will continue to promote the development of businesses such as property management, cultural tourism, and cultural and creative consumption orderly while consolidating its real estate business, so as to gradually establish a more diversified and sustainable income portfolio and enhance the overall business's cyclical resilience.

12. The Group also continuously improves its environmental, social and governance ("**ESG**") framework, focusing on issues such as climate change, environmental protection, employee care, occupational safety, community building and supply chain responsibility, and strengthening corporate governance and risk management, to balance the long-term interests of every stakeholder and promote the sustainable development of its business.

PROSPECTS

Year 2026 marks the opening of China's "Fifteenth Five-Year Plan", and the central government continues to push forward the expansion of domestic demand, the stabilization of the real estate market and the stimulation of consumption. Although the real estate market still faces pressure from de-stocking and confidence restoration, on the basis of sound financials and lean management, the Group will continue to focus on existing residential projects in the Guangdong-Hong Kong-Macao Greater Bay Area, flexibly adjust its sales strategies, accelerate capital returns, and prudently control its development pace and capital expenditure.

While consolidating its principal real estate business, the Group will actively promote business diversification and gradually expand into property management, cultural tourism, and cultural and creative consumption businesses, with an aim to build a more sustainable income structure.

In terms of property management, the Group will actively promote post-acquisition business integration, enhance service quality and operational efficiency through professional and intelligent management, and leverage the synergies with its existing real estate business to progressively expand its service scope and customer base, thereby bringing a relatively stable stream of recurring income to the Group.

In terms of cultural tourism, the Group will continue to optimize the operation model of Long Feng Villa, further enrich its day and night performances, parent-child amusement, outdoor leisure and seasonal themed activities, and improve its ticketing, food and beverage, and retail ancillary facilities, so as to enhance the attractiveness of theme park, stay time of visitors and income of consumption. The Group will, based on market demand and investment returns, flexibly adopt a model that combines independent investments with business collaborations attraction, prudently advance park upgrades, and strive to gradually improve its profitability.

In terms of cultural and creative and trendy consumption, the Group will continue to strengthen the brand building and product innovation of KALOS BLOCKS, deepen its collaboration with international IPs, artists and designers, and accelerate the development of its online and offline channel layout to gradually expand into the Greater China and overseas markets. At the same time, the Group will actively develop its corporate OEM and customization business, providing corporate customers with creative products featuring brand characteristics and personalized designs to further broaden its revenue streams. The Group believes Hong Kong's creative design will help to enhance the brand's competitiveness and capture the growth opportunities in the trendy consumption market.

CONCLUSION

In the face of the continuous adjustment of the real estate market, the Group will uphold the principles of financial stability and prudent operation, focusing on the de-stocking of residential projects, capital returns, and asset operational efficiency to consolidate the development foundation of its principal business.

Meanwhile, the Group will actively promote business diversification by expanding recurring income through property management, enhancing operational and consumption efficiency through cultural tourism, and developing domestic and overseas markets with its cultural and creative and trendy brands, to progressively optimize its revenue structure and cultivate new growth drivers.

The Group will continue to adhere the guidelines of "seeking progress while maintaining stability, and improving quality and efficiency", invest prudently and adopt lean management, with a view to promoting the synergistic development of its businesses for the purpose of creating 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 30 September 2026, net gearing ratio (calculated based on lease liabilities less cash and cash equivalents divided by total equity at the end of the year/period 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 RMB207,989,000, it is able to meet its current operational and 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. The management of the Group considers that the Group is mainly exposed to foreign currency risk with respect to United States dollars and Hong Kong dollars. The management of the Group will continue to monitor foreign exchange exposure and will take measures to minimize 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.

Valuations

The valuation of investment properties was assessed at the end of each reporting period by the management of the Group based on current market trends and an appraisal of the properties owned by the Company to ensure the reasonableness of the valuation.

During the six months ended 30 September 2026, there was no fair value change for investment properties (for the six months ended 30 September 2025: a fair value loss of approximately RMB1,973,000 was recognised, upon the transfer from inventories to investment properties).

FINANCIAL GUARANTEES

The Group has provided guarantees to banks to secure the mortgage arrangements of certain property buyers. As at 30 September 2026, the outstanding guarantees to the banks amounted to RMB151,392,000 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 do not consider the Group will sustain a loss under these guarantees as the banks have the rights to sell the property, thereby recovering the outstanding loan balances from the sale proceeds if the property buyers are default in payment. The Group has not recognized any deferred income in respect of these guarantees as the fair value of such is considered to be insignificant.

CONTINGENT LIABILITIES

As at 30 September 2026, the Group had no significant contingent liabilities.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

The Company has no significant event after the end of the Period and up to the date of this announcement.

EMPLOYEE AND REMUNERATION POLICIES

The Group had approximately 100 employees at the end of the Period. The Group has entered into individual employment contracts with our employees to cover matters such as wages, salaries, benefits and terms for termination. The Group generally formulates its employees' remuneration package to include a salary and bonus. The Group determines salary levels based on each employee's qualification, position, seniority and periodic performance reviews. In performance reviews, the Group mainly assesses the value that the employee has created for the Group during the performance period and any other meaningful contributions that the employee has made to the Group. As required by the relevant applicable PRC regulations, the Group makes 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 funds.

In addition, to cope with domestic development in Chinese Mainland and the need for talent retention, the Group establishes a "Cooperative Home Scheme" to encourage and finance potential high calibre to settle down locally through purchasing flats as a means to retain talents who may otherwise be lost in the highly competitive labour market.

Performance Based Incentives

The Group adopts a performance-based bonus system and an objective performance assessment. Employees with outstanding performance will now receive more bonus than before.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the Period.

AUDIT COMMITTEE

In accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Company has established the Audit Committee currently made up of three independent non-executive Directors. The Audit Committee is responsible for dealing with matters relating to the audit area, which includes but is not limited to, reviewing and supervising the Company's financial reporting process and internal control, in order to protect the interests of the shareholders of the Company. The unaudited interim results for the Period of the Group now reported have been reviewed by the Audit Committee and the Audit Committee has no disagreement with the accounting treatment and policies adopted by the Company during the Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Period, the Company had applied the principles and complied with the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

During the Period, the Company has adopted stringent procedures in governing the Directors' securities transactions in compliance with the requirements contained in the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Upon specific enquiry by the Company with all Directors, all Directors had confirmed that, they had complied with the required standards as set out in the Model Code throughout the Period.

PUBLICATION OF THE INTERIM REPORT

The interim report of the Company for the six months ended 30 September 2026 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 18 November 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.