



KADER

Manufacturing Trust

KADER HOLDINGS COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

INTERIM REPORT 2025

(Stock Code : 180)

Interim Results For the Six Months Ended 30 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 – unaudited

		Six months ended 30 June 2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5 & 6	134,184	142,960
Other revenue and other net income		31,138	6,520
Changes in inventories of finished goods and work in progress		6,475	20,190
Cost of purchase of finished goods		(24,969)	(10,819)
Raw materials and consumables used		(8,501)	(23,456)
Staff costs		(72,174)	(76,901)
Depreciation		(21,699)	(20,955)
Other operating expenses		(50,340)	(52,077)
Loss from operations		(5,886)	(14,538)
Finance costs	7(a)	(16,708)	(19,792)
Share of profits less losses of associates		(7,235)	(8,969)
Deficit on revaluation of investment properties	10(d)	(61,324)	(31,783)
Loss before taxation	7	(91,153)	(75,082)
Income tax expense	8	(1,639)	(595)
Loss for the period		(92,792)	(75,677)
Attributable to:			
Equity shareholders of the Company		(92,801)	(75,845)
Non-controlling interests		9	168
Loss for the period		(92,792)	(75,677)
Loss per share	9		
Basic		(9.76¢)	(7.98¢)
Diluted		(9.76¢)	(7.98¢)

The notes on pages 7 to 21 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 – unaudited

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Loss for the period	(92,792)	(75,677)
Other comprehensive income for the period: (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong, net of HK\$Nil tax	11,410	(749)
Total comprehensive income for the period	(81,382)	(76,426)
Attributable to:		
Equity shareholders of the Company	(81,726)	(76,440)
Non-controlling interests	344	14
Total comprehensive income for the period	(81,382)	(76,426)

The notes on pages 7 to 21 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 – unaudited

		At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
	Note		
Non-current assets			
Investment properties	10	1,858,863	1,915,264
Other property, plant and equipment	10	219,600	218,805
		<u>2,078,463</u>	<u>2,134,069</u>
Intangible assets		268	284
Interest in associates		53,148	55,655
Other financial assets	16(a)	58,721	48,102
Deposits and prepayments		63,812	69,176
Deferred tax assets		20,585	22,289
		<u>2,274,997</u>	<u>2,329,575</u>
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Current assets			
Trading securities	16(a)	3,387	4,019
Inventories	11	294,720	269,638
Current tax recoverable		61	61
Loans to an associate		64,229	61,114
Trade and other receivables	12	61,433	96,060
Cash and cash equivalents	13	62,641	48,934
		<u>486,471</u>	<u>479,826</u>
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Current liabilities			
Trade and other payables and contract liabilities	14	147,471	141,216
Bank loans		666,151	636,660
Lease liabilities		8,235	7,994
Current tax payable		19,770	19,073
		<u>841,627</u>	<u>804,943</u>
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Net current liabilities		<u>(355,156)</u>	<u>(325,117)</u>
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Total assets less current liabilities carried forward		<u>1,919,841</u>	<u>2,004,458</u>
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)

As at 30 June 2025 – unaudited

	At 30 June 2025 <i>HK\$'000</i>	At 31 December 2024 <i>HK\$'000</i>
<i>Note</i>		
Total assets less current liabilities brought forward	1,919,841	2,004,458
Non-current liabilities		
Bank loans	37,191	37,054
Lease liabilities	6,859	10,587
Deferred tax liabilities	31,990	31,619
Accrued employee benefits	73	88
	76,113	79,348
NET ASSETS	1,843,728	1,925,110
CAPITAL AND RESERVES		
Share capital	95,059	95,059
Reserves	1,743,330	1,825,056
Total equity attributable to equity shareholders of the Company	1,838,389	1,920,115
Non-controlling interests	5,339	4,995
TOTAL EQUITY	1,843,728	1,925,110

The notes on pages 7 to 21 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025 – unaudited

	Attributable to equity shareholders of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Contributed surplus	Exchange reserve	Land and buildings revaluation reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2024	95,059	185,138	10,815	173,397	(20,851)	82,055	1,582,325	2,107,938	6,882	2,114,820
Changes in equity for the six months ended 30 June 2024:										
Total comprehensive income for the period	—	—	—	—	(595)	—	(75,845)	(76,440)	14	(76,426)
Balances at 30 June 2024 and 1 July 2024	95,059	185,138	10,815	173,397	(21,446)	82,055	1,506,480	2,031,498	6,896	2,038,394
Changes in equity for the six months ended 31 December 2024:										
Total comprehensive income for the period	—	—	—	—	(524)	—	(110,859)	(111,383)	(1,901)	(113,284)
Balances at 31 December 2024 and 1 January 2025	95,059	185,138	10,815	173,397	(21,970)	82,055	1,395,621	1,920,115	4,995	1,925,110
Changes in equity for the six months ended 30 June 2025:										
Total comprehensive income for the period	—	—	—	—	11,075	—	(92,801)	(81,726)	344	(81,382)
Balance at 30 June 2025	<u>95,059</u>	<u>185,138</u>	<u>10,815</u>	<u>173,397</u>	<u>(10,895)</u>	<u>82,055</u>	<u>1,302,820</u>	<u>1,838,389</u>	<u>5,339</u>	<u>1,843,728</u>

The notes on pages 7 to 21 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025 – unaudited

		Six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
Operating activities			
Cash generated from operations		20,779	10,614
Tax refunded		11	39
Net cash generated from operating activities		20,790	10,653
Investing activities			
Payment for the purchase of other property, plant and equipment		(14,479)	(7,794)
Proceeds from sale of other property, plant and equipment		–	128
Payment for additions of investment properties		(449)	(386)
Payment for purchase of trading securities		–	(2,720)
Payment for purchase of other financial assets		(4,463)	–
Proceeds from sale of trading securities		1,275	1,080
Decrease/(increase) in non-current deposits and prepayments		4,946	(6,107)
Increase in amounts due from associates		(13)	(11)
Loans advanced to an associate		(1,599)	(4,875)
Interest received		70	171
Dividend income received		58	186
Net cash used in investing activities		(14,654)	(20,328)
Financing activities			
Capital element of lease rentals paid		(4,024)	(3,990)
Interest element of lease rentals paid		(334)	(493)
Proceeds from new bank loans		387,000	412,000
Repayment of bank loans		(360,298)	(416,663)
Bank borrowing costs paid		(16,374)	(19,299)
Net cash generated from/(used in) financing activities		5,970	(28,445)
Net increase/(decrease) in cash and cash equivalents		12,106	(38,120)
Cash and cash equivalents at 1 January	13	48,934	80,126
Effect of foreign exchanges rates changes		1,601	170
Cash and cash equivalents at 30 June	13	62,641	42,176

The notes on pages 7 to 21 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. Reporting entity

Kader Holdings Company Limited is a company domiciled in Bermuda. The interim financial report of the Company as at and for the six months ended 30 June 2025 comprises the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

The financial report of the Group as at and for the year ended 31 December 2024 are available upon request from the Company’s principal office at 11/F, 22 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong or at <http://www.kaderholdings.com>.

2. Basis of preparation

The interim financial report for the six months ended 30 June 2025 comprises the Group and the Group’s interests in associates.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report was approved by the Board of Directors and authorised for issue on 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of the interim financial report in conformity with HKAS 34 requires 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.

As at 30 June 2025, the Group recorded net current liabilities of HK\$355,156,000 (31 December 2024: HK\$325,117,000). Despite the net current liabilities as at 30 June 2025, the Group’s cash and cash equivalents amounted to HK\$62,641,000 (31 December 2024: HK\$48,934,000) on the same day. Furthermore, based on the unutilised banking facilities of HK\$166,109,000 (31 December 2024: HK\$197,412,000), the directors are of the opinion that the Group would have adequate funds to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2025. Accordingly, the Group’s interim financial report has been prepared on a going concern basis.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes 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 the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

3. Changes in accounting policies

New and amended HKFRS Accounting Standards

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Estimates

The preparation of interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

5. Revenue and segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

Toys and model trains:	The manufacture and sale of plastic, electronic and stuffed toys and model trains. These products are manufactured in the Group's manufacturing facilities located in Mainland China.
Property investment:	The leasing of office premises and industrial building to generate rental income and to gain from the appreciation in the properties' value in the long term.
Investment holding:	The investment in securities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. Revenue and segment reporting (Continued)

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by significant category of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue from contracts with customers		
within the scope of HKFRS 15		
– Sales of goods	109,754	116,734
Revenue from other sources		
– Gross rentals from investment properties	24,430	26,226
	<u>134,184</u>	<u>142,960</u>

The Group's customer base is diversified and there is no (2024: one) customer with whom transactions have exceeded 10% of the Group's revenue in 2025.

(b) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of intangible assets, interest in associates, deferred tax assets, current tax recoverable, cash and cash equivalents, loans to an associate and other corporate assets. Segment liabilities include all liabilities with the exception of amount due to an associate, current tax payable, deferred tax liabilities and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates and other head office or corporate administration costs.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. Revenue and segment reporting (Continued)

(b) Segment results, assets and liabilities (Continued)

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Toys and model trains		Property investment		Investment holding		Total	
	2025		2025		2025		2025	
	2024	2024	2024	2024	2024	2024	2024	2024
For the six months ended 30 June	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	109,754	116,734	24,430	26,226	-	-	134,184	142,960
Inter-segment revenue	-	-	3,095	2,318	-	-	3,095	2,318
Reportable segment revenue	109,754	116,734	27,525	28,544	-	-	137,279	145,278
Reportable segment (loss)/profit								
(adjusted EBITDA)	(25,313)	(11,238)	13,847	14,319	(3,842)	(3,167)	(15,308)	(86)
Additions to non-current segment assets during the period	6,338	11,885	10,124	4,761	4,463	-	20,925	16,646

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. Revenue and segment reporting (Continued)

(b) Segment results, assets and liabilities (Continued)

	Toys and model trains		Property investment		Investment holding		Total	
	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Reportable segment assets	<u>508,641</u>	<u>528,957</u>	<u>2,005,649</u>	<u>2,055,283</u>	<u>273,366</u>	<u>256,215</u>	<u>2,787,656</u>	<u>2,840,455</u>
Reportable segment liabilities	<u>835,634</u>	<u>838,613</u>	<u>181,351</u>	<u>149,109</u>	<u>10,544</u>	<u>4,318</u>	<u>1,027,529</u>	<u>992,040</u>

(c) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Revenue		
Reportable segment revenue	137,279	145,278
Elimination of inter-segment revenue	<u>(3,095)</u>	<u>(2,318)</u>
Consolidated revenue	<u>134,184</u>	<u>142,960</u>
Profit or loss		
Reportable segment loss	(15,308)	(86)
Elimination of inter-segment profit	<u>—</u>	<u>—</u>
Reportable segment loss derived		
from Group's external customers	(15,308)	(86)
Other revenue and other net income	31,138	6,520
Depreciation and amortisation	(21,716)	(20,972)
Finance costs	(16,708)	(19,792)
Share of profits less losses of associates	(7,235)	(8,969)
Deficit on revaluation of investment properties	<u>(61,324)</u>	<u>(31,783)</u>
Consolidated loss before taxation	<u>(91,153)</u>	<u>(75,082)</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. Revenue and segment reporting (Continued)

(c) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (Continued)

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Assets		
Reportable segment assets	2,787,656	2,840,455
Elimination of inter-segment receivables	(227,120)	(219,391)
	<u>2,560,536</u>	<u>2,621,064</u>
Intangible assets	268	284
Interest in associates	53,148	55,655
Loans to an associate	64,229	61,114
Current tax recoverable	61	61
Deferred tax assets	20,585	22,289
Cash and cash equivalents	62,641	48,934
	<u>2,761,468</u>	<u>2,809,401</u>
Consolidated total assets	<u><u>2,761,468</u></u>	<u><u>2,809,401</u></u>
Liabilities		
Reportable segment liabilities	1,027,529	992,040
Elimination of inter-segment payables	(227,120)	(219,297)
	<u>800,409</u>	<u>772,743</u>
Amount due to an associate	65,571	60,856
Current tax payable	19,770	19,073
Deferred tax liabilities	31,990	31,619
	<u>917,740</u>	<u>884,291</u>
Consolidated total liabilities	<u><u>917,740</u></u>	<u><u>884,291</u></u>

6. Seasonality of operations

The Group's toys and model trains division, a separate business segment (see note 5), on average experiences higher sales in the second half of the year, compared to the first half of the year, due to increased demand for its products during the holiday season. As such, the first half of the year generally reports lower revenue and segment results for this segment than the second half.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

7. Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
(a) Finance costs		
Interest on bank loans	16,374	19,299
Interest on lease liabilities	334	493
	<u>16,708</u>	<u>19,792</u>
(b) Other items		
Cost of inventories (note 11)	72,921	69,204
Amortisation of intangible assets	17	17
Depreciation charge		
– owned assets	16,735	17,818
– right-of-use assets	4,964	3,137
Net loss on disposal of other property, plant and equipment (note 10(c))	–	34
Net realised and unrealised gain on trading securities	(289)	(767)
Net realised and unrealised gain on other financial assets	(5,893)	(5,098)
Dividend and interest income	(2,207)	(2,177)
	<u>(2,207)</u>	<u>(2,177)</u>
(c) Other operating expenses		
Other operating expenses for the period included:		
Auditors' remuneration - auditors of the Group		
– audit services	2,228	2,417
– non-assurance services	–	31
Auditors' remuneration - other auditors	158	78
Advertising and promotion	4,548	3,978
Building management office and security service fees	2,871	2,757
Entertainment	1,829	1,169
Fuel, electricity and water	3,619	3,717
Government rent and rates	1,297	1,216
Insurance	2,411	2,300
Legal and professional fee	3,271	2,660
Postage, telephone and fax	1,006	1,016
Repair and maintenance	2,467	2,951
Royalties, commission and sales service fee	5,201	4,006
Subcontracting fee	4,639	8,854
Tools and consumables	1,047	742
Transportation and travelling	5,190	6,220
	<u>5,190</u>	<u>6,220</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

8. Income tax expense

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax	–	(6)
Current tax – Outside Hong Kong	16	34
Deferred tax	1,623	567
	<u>1,639</u>	<u>595</u>
Income tax expense	<u>1,639</u>	<u>595</u>

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2024: 16.5%) to the six months ended 30 June 2025. Taxation for subsidiaries outside Hong Kong is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant jurisdictions.

9. Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$92,801,000 (six months ended 30 June 2024: HK\$75,845,000) and the weighted average of 950,588,000 ordinary shares (six months ended 30 June 2024: 950,588,000 ordinary shares) in issue during the interim period.

(b) Diluted loss per share

The Company did not have any dilutive potential ordinary shares outstanding during both the current and prior periods. Accordingly, diluted loss per share is the same as the basic loss per share for both the current and prior periods.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

10. Investment properties and other property, plant and equipment

(a) Right-of-use assets

During the six months ended 30 June 2025, additions to right-of-use assets were HK\$868,000 (six months ended 30 June 2024: HK\$3,533,000). This amount included the additions of a leasehold property of HK\$868,000 (six months ended 30 June 2024: HK\$2,233,000) and the remainder of HK\$Nil (six months ended 30 June 2024: HK\$1,300,000) related to the capitalised lease payments payable under new lease agreements of other items of plant and equipment.

(b) Acquisitions

During the six months ended 30 June 2025, the Group acquired items of investment properties and other property, plant and equipment with an aggregate cost of HK\$868,000 and HK\$14,480,000 (six months ended 30 June 2024: HK\$2,233,000 and HK\$9,271,000) respectively.

(c) Disposals

Items of other property, plant and equipment with cost and net book value of HK\$Nil and HK\$Nil respectively were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$436,000 and HK\$266,000), resulting in a loss on disposal of HK\$Nil (six months ended 30 June 2024: loss HK\$34,000).

(d) Valuation

The valuation of investment properties carried at fair value was updated at 30 June 2025 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2024 valuations.

As a result of the update, a deficit of HK\$61,324,000 (six months ended 30 June 2024: HK\$31,783,000) has been recognised in profit or loss for the period in respect of investment properties.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

11. Inventories

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

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Carrying amount of inventories sold	70,984	71,472
Write-down of inventories	1,937	—
Reversal of write-down of inventories	—	(2,268)
	<u>72,921</u>	<u>69,204</u>

The reversal of write-down of inventories made in prior periods arose upon subsequent sale of inventories.

12. Trade and other receivables

Included in trade and other receivables are trade debtors, based on the invoice date and net of loss allowance, with the following ageing analysis as at end of the reporting period:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 1 month	8,245	18,386
Over 1 month but within 3 months	10,459	41,640
Over 3 months but within 12 months	6,035	4,923
Over 12 months	<u>1,077</u>	<u>2,190</u>
Total trade debtors, net of loss allowance	25,816	67,139
Amounts due from related companies	2,100	2,094
Other debtors and prepayments	<u>33,517</u>	<u>26,827</u>
	<u>61,433</u>	<u>96,060</u>

Credit evaluations are performed on all customers requiring credit over a certain amount. Most of the trade debtors are due within ninety days from the date of billing.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

13. Cash and cash equivalents

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Deposits with other financial institution	185	152
Cash at bank and on hand	<u>62,456</u>	<u>48,782</u>
Cash and cash equivalents in the condensed consolidated cash flow statement	<u><u>62,641</u></u>	<u><u>48,934</u></u>

14. Trade and other payables and contract liabilities

Included in trade and other payables and contract liabilities are trade creditors with the following ageing analysis as at the end of the reporting period:

	At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 1 month	14,884	4,141
Over 1 month but within 3 months	5,896	7,097
Over 3 months but within 6 months	2,068	4,478
Over 6 months	<u>222</u>	<u>254</u>
Total trade creditors	23,070	15,970
Creditors and accrued charges	45,157	49,605
Contract liabilities	871	279
Rental deposits	12,664	14,368
Amount due to a related company	138	138
Amount due to an associate	<u>65,571</u>	<u>60,856</u>
	<u><u>147,471</u></u>	<u><u>141,216</u></u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

15. Capital, reserves and dividends

(a) Dividends

The Board of Directors has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2025 (2024: HK\$Nil).

(b) Share capital

	2025		2024	
	Number of shares '000	HK\$'000	Number of shares '000	HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>
Ordinary shares, issued and fully paid				
At 1 January and 30 June	<u>950,588</u>	<u>95,059</u>	<u>950,588</u>	<u>95,059</u>

(c) Share premium

The application of the share premium account is governed by section 40 of the Companies Act 1981 of Bermuda.

16. Fair value measurement of financial instruments

(a) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

16. Fair value measurement of financial instruments (Continued)

(a) Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value as at 30 June 2025	Fair value measurements as at 30 June 2025 categorised into		
	HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements				
Other financial assets:				
– Investment funds	27,976	–	27,976	–
– Investment in unlisted companies	16,847	–	–	16,847
– Unlisted convertible notes	13,898	–	–	13,898
	58,721	–	27,976	30,745
Trading securities:				
– Investment in listed companies	3,387	3,387	–	–
	62,108	3,387	27,976	30,745
	Fair value as at 31 December 2024	Fair value measurements as at 31 December 2024 categorised into		
	HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements				
Other financial assets:				
– Investment funds	22,033	–	22,033	–
– Investment in unlisted companies	12,171	–	–	12,171
– Unlisted convertible notes	13,898	–	–	13,898
	48,102	–	22,033	26,069
Trading securities:				
– Investment in listed companies	4,019	4,019	–	–
	52,121	4,019	22,033	26,069

During the six months ended 30 June 2025, there were no transfers between Level 1 and Level 2, nor transfers into or out of Level 3 (2024: HK\$Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

16. Fair value measurement of financial instruments (Continued)

(a) Financial assets measured at fair value (Continued)

Information about Level 2 fair value measurements

The fair value is based on price quoted by financial institutions.

Information about Level 3 fair value measurements

The Group's Level 3 financial instruments represent unlisted equity and debt securities which their fair values are based on unobservable inputs. The directors perform the valuation on Level 3 financial instruments for financial reporting purposes. Their fair values have been determined with reference to the pricing of the recent transactions.

The movement during the period in the balance of these Level 3 fair value measurements is as follows:

	Investment in unlisted companies <i>HK\$'000</i>	Unlisted convertible notes <i>HK\$'000</i>
Balance as at 1 January 2025	12,171	13,898
Additions during the period	4,463	–
Net unrealised gain recognised in profit or loss during the period	56	–
Exchange adjustment	157	–
	<hr/>	<hr/>
Balance as at 30 June 2025	<u>16,847</u>	<u>13,898</u>

(b) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2024 and 30 June 2025.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

17. Commitments

Capital commitments outstanding at 30 June 2025 not provided for in the interim financial report

	At 30 June 2025 <i>HK\$'000</i>	At 31 December 2024 <i>HK\$'000</i>
Contracted for the purchase of property, plant and equipment	10,810	12,748

18. Contingent liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities.

19. Material related party transactions

During the six months ended 30 June 2025, the Group earned interest income from loans to an associate, RedwoodVentures Limited, amounted to HK\$1,516,000 (2024: HK\$1,229,000).

INTERIM DIVIDEND

The Board of Directors has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2025 (2024: HK\$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the period under review, the Group recorded a consolidated revenue of approximately HK\$134.18 million, which decreased by approximately 6.14% as compared to approximately HK\$142.96 million reported for the corresponding period last year. The loss attributable to equity shareholders amounted to approximately HK\$92.80 million (six months ended 30 June 2024: approximately HK\$75.85 million) which was mainly attributable to the deficit on revaluation of its investment properties of approximately of HK\$61.32 million (six months ended 30 June 2024: approximately HK\$31.78 million).

BUSINESS REVIEW

Toys and Model Trains

The toys and model trains business represents the manufacture and sale of plastic, electronic and stuffed toys and model trains. These products are mainly manufactured in the Group's manufacturing facilities located in Mainland China and mostly sold to the United States, Europe and Mainland China.

During the first half year of 2025, the revenue was approximately HK\$109.75 million, representing a decrease of approximately 5.98% as compared to the corresponding period last year.

The Group will strive to explore new sales opportunities and manufacture high quality products with competitive prices to sustain its business.

Property Investment

Other than the core toys and model trains business, the property investment business plays a significant role too. The Group's properties are located in Hong Kong and overseas.

During the period under review, the Group's rental income amounted to approximately HK\$24.43 million, representing a decrease of approximately 6.86% as compared to the corresponding period last year. The rental income represented approximately 18.21% of the Group's revenue during the period (six months ended 30 June 2024: approximately 18.35%).

Besides, the Group recorded valuation deficit of its investment properties of approximately HK\$61.32 million (six months ended 30 June 2024: approximately HK\$31.78 million). The occupancy rate of its major investment properties, Kader Building, was approximately 63% (30 June 2024: approximately 71%).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2025, the Group's net asset value per share was approximately HK\$1.94 (31 December 2024: approximately HK\$2.03). The Group had net current liabilities of approximately HK\$355.16 million (31 December 2024: approximately HK\$325.12 million). Total bank borrowings were approximately HK\$703.34 million (31 December 2024: approximately HK\$673.71 million) while the secured total banking facilities were approximately HK\$869.45 million (31 December 2024: approximately HK\$871.13 million). Included in total bank borrowings were revolving loans of approximately HK\$632.50 million (31 December 2024: approximately HK\$596.50 million) which are intended to be rolled over upon maturity. The Group's financial gearing, based on the total bank borrowings compared to the total equity, was approximately 38.15% (31 December 2024: approximately 35.00%). The majority of borrowings are on floating interest rate terms. The Group will negotiate with banks for banking facilities, if necessary.

Capital Structure

During the period under review, there were no changes in the Company's share capital.

Charges on Group Assets

As at 30 June 2025, investment properties and certain leasehold land and buildings of the Group with a net book value of approximately HK\$1,777.93 million (31 December 2024: approximately HK\$1,829.17 million) were mortgaged to various banks to secure the banking facilities granted to the Group.

Material Acquisitions and Disposals

There were no material acquisitions and disposals during the six months ended 30 June 2025.

RISKS AND UNCERTAINTIES

The Group's financial position and results of operations may be affected by a number of risks and uncertainties pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group:

Business Risk

Performance of the Group's core business will be affected by various factors, including but not limited to economic conditions which would not be completely mitigated even with strict operational procedures.

Interest Rate Risk

The Group's interest rate risk arises primarily from bank borrowings. The Group analyses its interest rate exposure on a dynamic basis and manages this risk in a cost-effective manner.

Liquidity risk

Liquidity risk is the potential that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding. In managing the liquidity risk, the Group monitors the cash flows and will negotiate with banks for banking facilities, if necessary.

Customer risk

The Group has endeavoured to diversify its customer base and provided quality products and services to the customers to maintain good relationship with them so as to mitigate the customer risk. For the period under review, there is no customer with whom transactions have exceeded 10% of the Group's revenue.

Foreign Exchange Rate Risk

Major assets, liabilities and transactions of the Group are denominated in Hong Kong dollars, United States dollars, Sterling Pounds ("GBP"), Renminbi Yuan ("RMB"), Japanese Yen ("JPY"), Euro ("EUR"), Australian dollar ("AUD") and Singapore dollar ("SGD"). As such, the Group faces a certain degree of exchange rate risk mainly arising from GBP, RMB, JPY, EUR, AUD and SGD denominated transactions for which the exchange rate volatility is relatively high.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 627 (30 June 2024: 794) full time management, administrative and production staff in Hong Kong Special Administrative Region (“HKSAR”), Mainland China, the United States, Europe and Singapore. The Group has seasonal fluctuations in the number of workers employed in its production plants while the number of management and administrative staff remains stable. The staff costs for the six months ended 30 June 2025 amounted to approximately HK\$72.17 million (six months ended 30 June 2024: approximately HK\$76.90 million). The Group remunerates its employees based on their performance, experience and prevailing industry practices. In the area of staff training, the Group encourages staff to participate in courses on technical skills improvement and personal development.

PROSPECTS

Looking ahead, we expect the global economic volatilities and geopolitical conflicts have continuous significant impacts on the performance of the Group. Uncertainties will persist due to unresolved geopolitical issues. Given the challenging and unpredictable economy, a cautious and proactive approach will be maintained. The Group will put effort into diversifying its business, exploring sales opportunities, raising production efficiency and maintaining cost control measures in order to mitigate the external impacts and sustain its businesses. The Group is also taking the necessary measures to fulfil the requirements for revitalization of Kader Building to enhance its value and the rental income.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares of the Company and the Associated Corporations

As at 30 June 2025, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(1) Interests in the Company

Name of directors	Number of ordinary shares of HK\$0.10 each				% of total issued share capital
	Personal interests	Family interests	Corporate interests	Total interests	
Mr. Kenneth Ting Woo-shou	288,929,941	2,075,183 ⁽ⁱ⁾	258,963,571 ⁽ⁱⁱ⁾	549,968,695	57.86%
Mrs. Nancy Ting Wang Wan-sun	2,075,183	—	—	2,075,183	0.22%
Mr. Ivan Ting Tien-li	21,530,432	—	—	21,530,432	2.26%
Mr. Lao Wai-keung	—	—	—	—	—
Mr. Bernie Ting Wai-cheung	—	—	—	—	—
Mr. Andrew Yao Cho-fai	—	—	—	—	—
Mr. Desmond Chum Kwan-yue	—	—	—	—	—
Ms. Sabrina Chao Sih-ming	—	—	—	—	—
Mr. Daryl Liu Zhen-rong	1,200,000	—	—	1,200,000	0.13%

Notes:

- (i) The spouse of Mr. Kenneth Ting Woo-shou is the beneficial shareholder.
- (ii) Included in the "Corporate Interests" above were 209,671,000 shares of the Company held by the Company's substantial shareholder, H.C. Ting's Holdings Limited, in which Mr. Kenneth Ting Woo-shou has a controlling interest through Border Shipping Limited; and 49,292,571 shares of the Company held by Glory Town Limited, in which Mr. Kenneth Ting Woo-shou has a controlling interest through Tyrol Investments Limited.

(2) **Interests in Associated Corporations**

Name of associated corporations	Beneficial interests	Class of shares	Number of shares held			% of interests in associated corporations
			Personal interests	Family interests	Corporate interests	
Allman Holdings Limited (“Allman”)	Mr. Ivan Ting Tien-li (“Ivan Ting”)	Ordinary shares of US\$1.00 each	920 ⁽ⁱ⁾	–	–	63.89%
Pacific Sky Ventures, Inc. (“PSV”)	Mr. Ivan Ting	Ordinary shares of US\$1.00 each	–	–	1,000 ⁽ⁱⁱ⁾	100.00%
Everline Associates, LLC (“Everline”)	Mr. Ivan Ting	Not applicable ⁽ⁱⁱⁱ⁾	–	–	–	62.00% ^(iv)
Everline	Mr. Kenneth Ting Woo-shou (“Kenneth Ting”)	Not applicable ⁽ⁱⁱⁱ⁾	–	–	–	13.00% ^(iv)
Snow King Properties, LLC (“SKP”)	Mr. Ivan Ting	Not applicable ^(iv)	–	–	–	62.00% ^(v)
SKP	Mr. Kenneth Ting	Not applicable ^(iv)	–	–	–	13.00% ^(v)

Notes:

- (i) These interests are held by Mr. Ivan Ting.
- (ii) These interests are held by Allman. Mr. Ivan Ting’s beneficial interests in Allman are disclosed in note (i) above.
- (iii) Everline does not have issued share capital, the percentage of interest in Everline represents the interest in capital account balance.
- (iv) SKP does not have issued share capital, the percentage of interest in SKP represents the interest in capital account balance.
- (v) These interests are held by PSV. Mr. Ivan Ting’s beneficial interests in PSV are disclosed in note (ii) above.
- (vi) These interests are held by Ting Corporation which is wholly owned by Mr. Kenneth Ting.

All the interests stated above represent long positions. As at 30 June 2025, no short positions were recorded in the register required to be kept under section 352 of the SFO.

Save as disclosed above, as at 30 June 2025, none of the directors and chief executives of the Company nor their spouses or children under 18 years of age has interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Person's Interests

As at 30 June 2025, substantial shareholders and other persons (other than directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which were recorded in the register kept by the Company under section 336 of the SFO were as follows:

Substantial shareholders and other persons	Number of ordinary shares of HK\$0.10 each				% of total issued share capital
	Personal interests	Family interests	Corporate interests	Total interests	
Forest Crimson Limited	–	–	209,671,000 ⁽ⁱ⁾	209,671,000	22.06%
Mr. Ting Hok-shou	13,800,238	571,429 ⁽ⁱⁱ⁾	39,098,281 ⁽ⁱⁱⁱ⁾	53,469,948	5.62%
Ms. Emily Tsang Wing-hin	571,429	13,800,238 ^(iv)	39,098,281 ⁽ⁱⁱⁱ⁾	53,469,948	5.62%

Notes:

- (i) 209,671,000 shares of the Company were held by the Company's substantial shareholder, H.C. Ting's Holdings Limited, in which Forest Crimson Limited has a controlling interest through Border Shipping Limited.
- (ii) The spouse of Mr. Ting Hok-shou, Ms. Emily Tsang Wing-hin, is the beneficial shareholder.
- (iii) Included in the "Corporate Interests" above were 3,913,997 shares of the Company held by Golden Tree Investment Company Limited, in which Mr. Ting Hok-shou and Ms. Emily Tsang Wing-hin together have controlling interest; and 35,184,284 shares of the Company held by Kimpont Limited, in which Mr. Ting Hok-shou and Ms. Emily Tsang Wing-hin together have controlling interest through Golden Tree Investment Company Limited and Yale Investment Corporation.
- (iv) The spouse of Ms. Emily Tsang Wing-hin is the beneficial shareholder.

Save as disclosed above, as at 30 June 2025, the Company was not notified by any persons (other than directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which were recorded in the register kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period under review.

CORPORATE GOVERNANCE

The Board of Directors regularly reviews its corporate governance practices to ensure its continuous compliance with the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Listing Rules. Throughout the period under review, the Group has complied with all code provisions in CG Code, except for the deviation from CG Code C.2.1 as described below:

Under CG Code C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Kenneth Ting Woo-shou has the combined role of Chairman and Managing Director. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group as non-executive director and independent non-executive directors ("INEDs") form the majority of the Board, with five out of nine of the directors of the Company being non-executive director and INEDs as at 30 June 2025. The Board believes the appointment of Mr. Kenneth Ting Woo-shou to the posts of Chairman and Managing Director is beneficial to the Group as he has extensive industry experience.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the key accounting policies and discussed auditing, internal controls and financial reporting matters, including a review of the interim results for the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its model code for securities transactions by the Company's directors and relevant employees who are or may be in possession of unpublished inside information. Based on specific enquiries made, all directors have confirmed that they have complied with the Model Code throughout the period under review.

UPDATE ON DIRECTOR'S INFORMATION

The changes in the information of director of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is as follows:

Ms. Sabrina Chao Sih-ming, an INED of the Company, is currently a Council Member of Hong Kong University of Science and Technology and was appointed as a member of the Hong Kong Maritime and Port Development Board in July 2025.

By order of the Board
Kader Holdings Company Limited
Kenneth Ting Woo-shou
Chairman

Hong Kong, 28 August 2025

As at the date hereof, the executive directors of the Company are Mr. Kenneth Ting Woo-shou, SBS, JP (Chairman and Managing Director), Mrs. Nancy Ting Wang Wan-sun, Mr. Ivan Ting Tien-li and Mr. Lao Wai-keung; the non-executive director of the Company is Mr. Bernie Ting Wai-cheung; and the independent non-executive directors of the Company are Mr. Andrew Yao Cho-fai, BBS, JP, Mr. Desmond Chum Kwan-yue, Ms. Sabrina Chao Sih-ming, BBS, JP and Mr. Daryl Liu Zhen-rong.