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KADER HOLDINGS COMPANY LIMITED

開達集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 180)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY IN SINGAPORE

THE ACQUISITION

The Board is pleased to announce that on 22 November 2022, the Purchaser (an indirect wholly-owned subsidiary of the Company) accepted and exercised the Option offered by the Vendor under the Option to Purchase, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Property at the consideration of SGD5,930,000 (equivalent to approximately HK\$33,510,000, excluding GST).

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company shall note that Completion of the Acquisition is subject to the conditions and provisions in the Option to Purchase, and may or may not materialise. Shareholders and potential investor are advised to exercise caution when dealing in the securities of the Company.

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TERMS OF THE OPTION TO PURCHASE

The principal terms and conditions of the Option to Purchase are set out below:

Date of the Option to Purchase:	17 October 2022 when the Option to Purchase was initially signed and delivered by the Vendor to the Purchaser
Purchaser:	KADER PROPERTIES (SINGAPORE) PTE. LIMITED, a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
Vendor:	DIA-GLOBE (SINGAPORE) PTE LTD, a company incorporated in Singapore; and to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor (together with its ultimate beneficial owners), are Independent Third Parties to the Group
Property to be acquired:	Property known as 41 Kallang Pudding Road #03-02, Singapore 349316
Option:	In consideration of the option fee (as illustrated below) which was received by the Vendor on 16 October 2022, the Vendor has offered an option to the Purchaser for purchase of the Property in accordance with the terms and conditions under the Option to Purchase.
Date of acceptance and exercise of the Option by the Purchaser:	22 November 2022 when the Purchaser counter-signed the Option to Purchase and paid the further deposit (as illustrated below) on the same day, and thereafter the Option to Purchase has become a binding agreement between the Vendor and the Purchaser for the purpose of the Acquisition.

- Consideration and Payment terms:** The Consideration for the Acquisition is SGD5,930,000 (equivalent to approximately HK\$33,510,000, excluding GST) which shall be payable by the Purchaser in the following manner:
- (i) an option fee of SGD237,200 (representing 4% of the Consideration, equivalent to approximately HK\$1,340,000) already received by the Vendor on 16 October 2022, which shall comprise part of deposit;
 - (ii) a further deposit of SGD355,800 (representing 6% of the Consideration, equivalent to approximately HK\$2,011,000) paid to the Vendor's solicitors as stakeholders on 22 November 2022 upon the acceptance and exercise of the Option by the Purchaser; and
 - (iii) the balance of the Consideration of SGD5,337,000 (equivalent to approximately HK\$30,159,000) shall be payable by the Purchaser at the Completion Date.
- Tax:** The Purchaser shall pay all GST and other applicable taxes (if any) which may be payable in respect of the Consideration.
- Completion Date:** 31 January 2023, being a date falling on or before the expiry of ten (10) weeks from the date of acceptance and exercise of the Option by the Purchaser
- Occupational tenancy:** The Property is to be sold subject to various existing tenancy agreements.
- Notwithstanding the aforesaid, in the event that the Property becomes vacant on or before the Completion Date by reason of expiry or termination of any of the existing tenancy agreements, the Purchaser shall accept vacant possession of the Property thereof.
- Other major terms:** The Property is to be sold on an "as is where is" basis.
- Completion of the Acquisition is subject to the Purchaser receiving satisfactory replies to the legal requisitions to various government departments and local authorities in Singapore and to all plans so far as such replies relate to the Property.

INFORMATION OF THE PROPERTY

Details of the Property are set out below:

Location:	41 Kallang Pudding Road #03-02, Singapore 349316
Floor area of the Property:	7,330 square feet
Tenure:	Freehold tenure
Number of existing tenants:	10, which are all Independent Third Parties (to the best knowledge, information and belief of the Directors and having made all reasonable enquiries)
Terms of existing tenancies:	each of the existing tenancies has its own term with two or three years, which in aggregate cover the period commencing from 1 October 2020 to 31 August 2024 (both days inclusive)
Rentals of existing tenancies:	yearly rentals of SGD164,382.60 in total (equivalent to approximately HK\$929,000, exclusive of GST)

INFORMATION ON THE GROUP, THE PURCHASER AND THE VENDOR

The Company and the Group

The Company is an investment holding company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The principal activities of the Group are manufacturing and trading of plastic, electronic and stuffed toys and model trains, property investment, and investment holding.

The Purchaser

The Purchaser, an indirect wholly-owned subsidiary of the Company, is incorporated in Singapore and principally engaged in the business of property investment.

The Vendor

The Vendor is incorporated in Singapore and principally engaged in wholesale business. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties to the Group.

BASIS OF THE CONSIDERATION

The Consideration was determined between the parties after arm's length negotiations and on normal commercial terms, taking into account (i) the prevailing market value of the Property as estimated under the valuation by mortgage bank; (ii) the current property market environment of Singapore; (iii) the location and conditions of the Property; and (iv) the expected rental income from the Property as well as the potential appreciation of rental and value of the Property.

The Directors are of the view that the Consideration is fair and reasonable and determined in the interests of the Group and the Shareholders as a whole.

The Consideration is expected to be financed (i) partly by the Group's internal resources; and (ii) partly by mortgage loan over the Property to be obtained by the Purchaser in Singapore prior to the Completion.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been actively exploring opportunities to enhance and diversify its revenue stream. Taking into account various factors such as the location, conditions and potential appreciation in rental and value of the Property, the Acquisition provides an opportunity for the Group to (i) expand its investment portfolio, which will allow the Group to benefit from any future capital appreciation; and (ii) generate a new source of rental income which can serve as the Group's stable source of cash flow and revenue.

The Acquisition is subject to various existing tenancy agreements which shall expire by August 2024. The Group currently expects to continue to rent out the Property for securing stable source of rental income. As such, the Board is of the view that the Acquisition will strengthen the Group's income base and is beneficial to the Group's financial position in the long run.

Based on the above, the Directors consider that (i) the Option to Purchase was entered into after arm's length negotiation between the Purchaser and the Vendor and on normal commercial terms; (ii) the terms of the Acquisition contemplated under the Option to Purchase are on normal commercial terms, fair and reasonable in so far as the Company and the Shareholders are concerned; and (iii) the Acquisition was carried out incidental to the ordinary and usual course of business of the Group, and is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company shall note that Completion of the Acquisition is subject to the conditions and provisions in the Option to Purchase, and may or may not materialise. Shareholders and potential investor are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to its acceptance and exercise of the Option
“Board”	the board of Directors
“Company”	Kader Holdings Company Limited (開達集團有限公司), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 180)
“Completion”	Completion of the Acquisition pursuant to the terms and conditions of the Option to Purchase
“Completion Date”	31 January 2023, being a date falling on or before the expiry of ten (10) weeks from the date of acceptance and exercise of the Option by the Purchaser
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	SGD5,930,000 (equivalent to approximately HK\$33,510,000, excluding GST) being the total consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“GST”	Goods and Services Tax chargeable in Singapore
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	an individual(s) or company(ies) or its ultimate beneficial owner(s) who is not a connected person of the Company and is independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Option”	the option offered by the Vendor to the Purchaser for purchase of the Property in accordance with the terms and conditions under the Option to Purchase
“Option to Purchase”	the Option to Purchase initially signed and delivered by the Vendor to the Purchaser dated 17 October 2022 pursuant to which the Vendor has offered the Purchaser an option to purchase the Property in accordance with the terms and conditions set out therein, and the same has become a binding agreement between the Vendor and the Purchaser for the purpose of the Acquisition upon the acceptance and exercise of the Option by the Purchaser on 22 November 2022
“Property”	41 Kallang Pudding Road #03-02, Singapore 349316, the subject property to be acquired under the Acquisition
“Purchaser”	KADER PROPERTIES (SINGAPORE) PTE. LIMITED, a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“SGD”	Singapore dollars, the lawful currency of Singapore
“Share(s)”	the share(s) of the Company in the nominal value of HK\$0.10 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	DIA-GLOBE (SINGAPORE) PTE LTD, a company incorporated in Singapore; and to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor (together with its ultimate beneficial owners), are Independent Third Parties to the Group
“%”	per cent.

For illustrative purpose, the translations between SGD and HK\$ in this announcement were made at the rate of HK\$5.651 to SGD1. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 22 November 2022

As at the date of this announcement, 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. Floyd Chan Tsoi-yin, Mr. Andrew Yao Cho-fai, JP, Mr. Desmond Chum Kwan-yue and Ms. Sabrina Chao Sih-ming, BBS.