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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)**

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the “Board”) of Kader Holdings Company Limited (the “Company”) announces that the unaudited consolidated results of the Company and its subsidiaries (the “Group”) and the Group’s interests in associates for the six months ended 30 June 2025, together with comparative figures for the corresponding period in 2024 are as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2025 – unaudited*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>	4 & 5	<b>134,184</b>	142,960
Other revenue and other net income		<b>31,138</b>	6,520
Changes in inventories of finished goods and work in progress		<b>6,475</b>	20,190
Cost of purchase of finished goods		<b>(24,969)</b>	(10,819)
Raw materials and consumables used		<b>(8,501)</b>	(23,456)
Staff costs		<b>(72,174)</b>	(76,901)
Depreciation		<b>(21,699)</b>	(20,955)
Other operating expenses		<b>(50,340)</b>	(52,077)
<b>Loss from operations</b>		<b>(5,886)</b>	(14,538)
Finance costs	6(a)	<b>(16,708)</b>	(19,792)
Share of profits less losses of associates		<b>(7,235)</b>	(8,969)
Deficit on revaluation of investment properties	9(d)	<b>(61,324)</b>	(31,783)
<b>Loss before taxation</b>	6	<b>(91,153)</b>	(75,082)
Income tax expense	7	<b>(1,639)</b>	(595)
<b>Loss for the period</b>		<b>(92,792)</b>	(75,677)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** *(Continued)**For the six months ended 30 June 2025 – unaudited*

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>(92,801)</b>	(75,845)
Non-controlling interests		<u><b>9</b></u>	<u>168</u>
<b>Loss for the period</b>		<u><b>(92,792)</b></u>	<u>(75,677)</u>
<b>Loss per share</b>	8		
Basic		<u><b>(9.76¢)</b></u>	<u>(7.98¢)</u>
Diluted		<u><b>(9.76¢)</b></u>	<u>(7.98¢)</u>

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2025 – unaudited*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Loss for the period</b>	<b>(92,792)</b>	<b>(75,677)</b>
<b>Other comprehensive income for the period:</b>		
<b>(after tax and reclassification adjustments)</b>		
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	<u><b>11,410</b></u>	<u><b>(749)</b></u>
<b>Total comprehensive income for the period</b>	<u><b>(81,382)</b></u>	<u><b>(76,426)</b></u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>(81,726)</b>	<b>(76,440)</b>
Non-controlling interests	<u><b>344</b></u>	<u><b>14</b></u>
<b>Total comprehensive income for the period</b>	<u><b>(81,382)</b></u>	<u><b>(76,426)</b></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 – unaudited

		At 30 June 2025 HK\$'000	At 31 December 2024 HK\$'000
	Note		
<b>Non-current assets</b>			
Investment properties	9	1,858,863	1,915,264
Other property, plant and equipment	9	<u>219,600</u>	<u>218,805</u>
		<b>2,078,463</b>	<b>2,134,069</b>
Intangible assets		268	284
Interest in associates		53,148	55,655
Other financial assets		58,721	48,102
Deposits and prepayments		63,812	69,176
Deferred tax assets		<u>20,585</u>	<u>22,289</u>
		<u><b>2,274,997</b></u>	<u><b>2,329,575</b></u>
<b>Current assets</b>			
Trading securities		3,387	4,019
Inventories	10	294,720	269,638
Current tax recoverable		61	61
Loans to an associate		64,229	61,114
Trade and other receivables	11	61,433	96,060
Cash and cash equivalents		<u>62,641</u>	<u>48,934</u>
		<u><b>486,471</b></u>	<u><b>479,826</b></u>
<b>Current liabilities</b>			
Trade and other payables and contract liabilities	12	147,471	141,216
Bank loans		666,151	636,660
Lease liabilities		8,235	7,994
Current tax payable		<u>19,770</u>	<u>19,073</u>
		<u><b>841,627</b></u>	<u><b>804,943</b></u>
<b>Net current liabilities</b>		<u><b>(355,156)</b></u>	<u><b>(325,117)</b></u>
<b>Total assets less current liabilities carried forward</b>		<u><b>1,919,841</b></u>	<u><b>2,004,458</b></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*

*As at 30 June 2025 – unaudited*

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

## NOTES

### 1. INDEPENDENT REVIEW

The interim financial results for the six months ended 30 June 2025 are unaudited, but have been reviewed by the Audit Committee.

### 2. BASIS OF PREPARATION

The interim financial results for the six months ended 30 June 2025 comprise the Group and the Group's interests in associates.

The interim financial results set out in the announcement do not constitute the Group's interim financial report for the six months ended 30 June 2025 but are extracted from the report. 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 results 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 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 results contain 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.

### 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. 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 (Continued)*

**4. REVENUE AND SEGMENT REPORTING (Continued)**

**(a) Disaggregation of revenue**

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

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

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 (Continued)**

**4. 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	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 June								
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
<b>Reportable segment revenue</b>	<b>109,754</b>	<b>116,734</b>	<b>27,525</b>	<b>28,544</b>	<b>-</b>	<b>-</b>	<b>137,279</b>	<b>145,278</b>
<b>Reportable segment (loss)/profit (adjusted EBITDA)</b>	<b>(25,313)</b>	<b>(11,238)</b>	<b>13,847</b>	<b>14,319</b>	<b>(3,842)</b>	<b>(3,167)</b>	<b>(15,308)</b>	<b>(86)</b>
Additions to non-current segment assets during the period	6,338	11,885	10,124	4,761	4,463	-	20,925	16,646
	Toys and model trains		Property investment		Investment holding		Total	
	At	At	At	At	At	At	At	At
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Reportable segment assets</b>	<b>508,641</b>	<b>528,957</b>	<b>2,005,649</b>	<b>2,055,283</b>	<b>273,366</b>	<b>256,215</b>	<b>2,787,656</b>	<b>2,840,455</b>
<b>Reportable segment liabilities</b>	<b>835,634</b>	<b>838,613</b>	<b>181,351</b>	<b>149,109</b>	<b>10,544</b>	<b>4,318</b>	<b>1,027,529</b>	<b>992,040</b>

**NOTES (Continued)**

**4. REVENUE AND SEGMENT REPORTING (Continued)**

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

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

**NOTES (Continued)**

**4. 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
<b>Assets</b>		
Reportable segment assets	2,787,656	2,840,455
Elimination of inter-segment receivables	<u>(227,120)</u>	<u>(219,391)</u>
	2,560,536	2,621,064
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	<u>62,641</u>	<u>48,934</u>
Consolidated total assets	<u><u>2,761,468</u></u>	<u><u>2,809,401</u></u>
<b>Liabilities</b>		
Reportable segment liabilities	1,027,529	992,040
Elimination of inter-segment payables	<u>(227,120)</u>	<u>(219,297)</u>
	800,409	772,743
Amount due to an associate	65,571	60,856
Current tax payable	19,770	19,073
Deferred tax liabilities	<u>31,990</u>	<u>31,619</u>
Consolidated total liabilities	<u><u>917,740</u></u>	<u><u>884,291</u></u>

**5. SEASONALITY OF OPERATIONS**

The Group's toys and model trains division, a separate business segment (see note 4), 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 (Continued)**

**6. LOSS BEFORE TAXATION**

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

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(a) Finance costs</b>			
Interest on bank loans		16,374	19,299
Interest on lease liabilities		334	493
		<u>16,708</u>	<u>19,792</u>
<b>(b) Other items</b>			
Cost of inventories ( <i>note 10</i> )		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 ( <i>note 9(c)</i> )		–	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		<u>(2,207)</u>	<u>(2,177)</u>
<b>(c) Other operating expenses</b>			
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		<u>5,190</u>	<u>6,220</u>

*NOTES (Continued)*

**7. INCOME TAX EXPENSE**

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

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.

**8. 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.

**9. 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.

**NOTES (Continued)**

**9. INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(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: 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.

**10. INVENTORIES**

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

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

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

**NOTES (Continued)**

**11. 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><b>61,433</b></u>	<u><b>96,060</b></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.

**12. 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><b>147,471</b></u>	<u><b>141,216</b></u>

*NOTES (Continued)*

**13. 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**

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

**(c) Share premium**

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



## **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.

## **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.

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.*