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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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Board of Directors of Kader Holdings Company Limited (the “Company”) announces that the results of the Company and its subsidiaries (together referred to as the “Group”) for the year ended 31 December 2025 together with comparative figures for the year 2024 are summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

| | <i>Note</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------|--------------------------------|--------------------------------|
| Revenue | 3 | 351,160 | 343,711 |
| Other revenue and other net income/(loss) | 4 | 33,362 | (2,262) |
| Changes in inventories of finished goods and work in progress | | (26,249) | 33,636 |
| Cost of purchase of finished goods | | (62,779) | (40,892) |
| Raw materials and consumables used | | (18,383) | (45,531) |
| Staff costs | 5(b) | (139,921) | (150,468) |
| Depreciation | 5(d) | (40,054) | (42,646) |
| Other operating expenses | 5(c) | (105,523) | (109,355) |
| Loss from operations | | (8,387) | (13,807) |
| Finance costs | 5(a) | (31,383) | (39,731) |
| Share of profits less losses of associates | | (38,164) | (19,355) |
| Impairment loss of loans to an associate | | – | (3,969) |
| Deficit on revaluation of investment properties | | (109,994) | (112,368) |
| Loss before taxation | 5 | (187,928) | (189,230) |
| Income tax (expense)/credit | 6 | (1,068) | 2,930 |
| Loss for the year | | (188,996) | (186,300) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)**For the year ended 31 December 2025*

| | <i>Note</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|------------------------------------|-------------|---------------------------------------|-------------------------|
| Attributable to: | | | |
| Equity shareholders of the Company | | (189,593) | (186,704) |
| Non-controlling interests | | <u>597</u> | <u>404</u> |
| Loss for the year | | <u>(188,996)</u> | <u>(186,300)</u> |
| Loss per share | | | |
| Basic | 7(a) | (19.94)¢ | (19.64)¢ |
| Diluted | 7(b) | <u>(19.94)¢</u> | <u>(19.64)¢</u> |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | 2025 | 2024 |
|---|-------------------------|-------------------------|
| <i>Note</i> | HK\$'000 | <i>HK\$'000</i> |
| Loss for the year | (188,996) | (186,300) |
| Other comprehensive income for the year (after tax and reclassification adjustments) | | |
| Items 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>7,850</u> | <u>(1,316)</u> |
| Total comprehensive income for the year | <u>(181,146)</u> | <u>(187,616)</u> |
| Attributable to: | | |
| Equity shareholders of the Company | (181,949) | (187,823) |
| Non-controlling interests | <u>803</u> | <u>207</u> |
| Total comprehensive income for the year | <u>(181,146)</u> | <u>(187,616)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

| | <i>Note</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------|-------------------------|-------------------------|
| Non-current assets | | | |
| Investment properties | | 1,810,943 | 1,915,264 |
| Other property, plant and equipment | | <u>215,823</u> | <u>218,805</u> |
| | | 2,026,766 | 2,134,069 |
| Intangible assets | | 250 | 284 |
| Interest in associates | | 26,966 | 55,655 |
| Other financial assets | | 57,420 | 48,102 |
| Deposits and prepayments | | 56,755 | 69,176 |
| Deferred tax assets | | <u>8,826</u> | <u>22,289</u> |
| | | <u>2,176,983</u> | <u>2,329,575</u> |
| Current assets | | | |
| Trading securities | | 2,927 | 4,019 |
| Inventories | 8 | 256,955 | 269,638 |
| Current tax recoverable | | 13 | 61 |
| Loans to an associate | | – | 61,114 |
| Trade and other receivables | 9 | 108,496 | 96,060 |
| Cash and cash equivalents | | <u>64,851</u> | <u>48,934</u> |
| | | <u>433,242</u> | <u>479,826</u> |
| Current liabilities | | | |
| Trade and other payables and contract liabilities | 10 | 95,662 | 141,216 |
| Bank loans | | 695,199 | 636,660 |
| Lease liabilities | | 8,511 | 7,994 |
| Current tax payable | | <u>19,889</u> | <u>19,073</u> |
| | | <u>819,261</u> | <u>804,943</u> |
| Net current liabilities | | <u>(386,019)</u> | <u>(325,117)</u> |
| Total assets less current liabilities carried forward | | <u>1,790,964</u> | <u>2,004,458</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**At 31 December 2025*

| | <i>Note</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------|--------------------------------|-------------------------|
| Total assets less current liabilities brought forward | | <u>1,790,964</u> | <u>2,004,458</u> |
| Non-current liabilities | | | |
| Bank loans | | 24,570 | 37,054 |
| Lease liabilities | | 2,760 | 10,587 |
| Deferred tax liabilities | | 19,656 | 31,619 |
| Accrued employee benefits | | <u>14</u> | <u>88</u> |
| | | <u>47,000</u> | <u>79,348</u> |
| NET ASSETS | | <u>1,743,964</u> | <u>1,925,110</u> |
| CAPITAL AND RESERVES | <i>11</i> | | |
| Share capital | | 95,059 | 95,059 |
| Reserves | | <u>1,643,107</u> | <u>1,825,056</u> |
| Total equity attributable to equity shareholders of the Company | | 1,738,166 | 1,920,115 |
| Non-controlling interests | | <u>5,798</u> | <u>4,995</u> |
| TOTAL EQUITY | | <u>1,743,964</u> | <u>1,925,110</u> |

Notes:

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

This announcement does not comprise the consolidated financial statements for the year ended 31 December 2025 but the information herein has been extracted from the draft consolidated financial statements.

The consolidated financial statements for the year ended 31 December 2025 comprise the Group and the Group's interest in associates.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Group recorded net current liabilities of HK\$386,019,000. Despite the net current liabilities as at 31 December 2025, the Group's cash and cash equivalents amounted to HK\$64,851,000 on the same day. Furthermore, based on the cash flow projection prepared by management which covers a period of not less than twelve months from 31 December 2025 and the unutilised banking facilities of HK\$151,867,000 at the date of approval of the financial statements by the Board, the directors are of the opinion that anticipated cash flows generated from the Group's operations can strengthen the Group's financial position and enable the Group to have sufficient financial resources to meet its financial obligations as and when they fall due in the coming twelve months from 31 December 2025. Accordingly, the Group's consolidated financial statements have been prepared on a going concern basis.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that investment properties and debt and equity instruments are stated at their fair values.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to the financial statements for the current accounting period. The amendments do not have a material impact on the financial statements 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.

3. 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 presented 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, commercial building and industrial buildings to generate rental income and to gain from the appreciation in the properties' value in the long term.

Investment holding: The investment in securities.

3. REVENUE AND SEGMENT REPORTING (Continued)

(a) Disaggregation of revenue

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Revenue from contracts with customers within the scope of HKFRS 15 | | |
| – Sales of goods | 307,360 | 293,842 |
| Revenue from other sources | | |
| – Gross rentals from investment properties that the lease payments are fixed | <u>43,800</u> | <u>49,869</u> |
| | <u>351,160</u> | <u>343,711</u> |

Revenue from the sales of goods is recognised at the point in time when control of the goods is transferred to the customers.

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

(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.

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.

3. REVENUE AND SEGMENT REPORTING (Continued)

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

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 years ended 31 December 2025 and 2024 is set out below:

| | Toys and model trains | | Property investment | | Investment holding | | Total | |
|--|--------------------------|------------------|------------------------|------------------|-----------------------|------------------|------------------|------------------|
| | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 |
| Revenue from external customers | 307,360 | 293,842 | 43,800 | 49,869 | - | - | 351,160 | 343,711 |
| Inter-segment revenue | - | - | 6,205 | 4,763 | - | - | 6,205 | 4,763 |
| Reportable segment revenue | 307,360 | 293,842 | 50,005 | 54,632 | - | - | 357,365 | 348,474 |
| Reportable segment (loss)/profit (adjusted EBITDA) | (16,755) | 6,282 | 22,344 | 28,338 | (7,250) | (3,485) | (1,661) | 31,135 |
| Interest income | 135 | 228 | 65 | 1,365 | 4,241 | 2,448 | 4,441 | 4,041 |
| Interest expenses | (19,609) | (27,707) | (11,774) | (12,024) | - | - | (31,383) | (39,731) |
| Depreciation and amortisation for the year | (27,959) | (26,292) | (12,129) | (16,388) | - | - | (40,088) | (42,680) |
| Reportable segment assets | 511,190 | 528,957 | 1,947,830 | 2,055,283 | 299,563 | 256,215 | 2,758,583 | 2,840,455 |
| Additions to non-current segment assets during the year | 12,253 | 27,044 | 25,228 | 10,719 | 6,364 | 6,216 | 43,845 | 43,979 |
| Reportable segment liabilities | 884,852 | 838,613 | 184,092 | 149,109 | 4,737 | 4,318 | 1,073,681 | 992,040 |

3. REVENUE AND SEGMENT REPORTING (Continued)

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

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------------------------|-------------------------|
| Revenue | | |
| Reportable segment revenue | 357,365 | 348,474 |
| Elimination of inter-segment revenue | <u>(6,205)</u> | <u>(4,763)</u> |
| Consolidated revenue | <u><u>351,160</u></u> | <u><u>343,711</u></u> |
| Profit or loss | | |
| Reportable segment (loss)/profit | (1,661) | 31,135 |
| Elimination of inter-segment profit | <u>–</u> | <u>–</u> |
| Reportable segment (loss)/profit derived from the Group's external customers | (1,661) | 31,135 |
| Other revenue and other net income/(loss) | 33,362 | (2,262) |
| Depreciation and amortisation | (40,088) | (42,680) |
| Finance costs | (31,383) | (39,731) |
| Share of profits less losses of associates | (38,164) | (19,355) |
| Impairment loss of loans to an associate | – | (3,969) |
| Deficit on revaluation of investment properties | <u>(109,994)</u> | <u>(112,368)</u> |
| Consolidated loss before taxation | <u><u>(187,928)</u></u> | <u><u>(189,230)</u></u> |
| Assets | | |
| Reportable segment assets | 2,758,583 | 2,840,455 |
| Elimination of inter-segment receivables | <u>(249,264)</u> | <u>(219,391)</u> |
| | 2,509,319 | 2,621,064 |
| Intangible assets | 250 | 284 |
| Interest in associates | 26,966 | 55,655 |
| Loans to an associate | – | 61,114 |
| Current tax recoverable | 13 | 61 |
| Deferred tax assets | 8,826 | 22,289 |
| Cash and cash equivalents | <u>64,851</u> | <u>48,934</u> |
| Consolidated total assets | <u><u>2,610,225</u></u> | <u><u>2,809,401</u></u> |
| Liabilities | | |
| Reportable segment liabilities | 1,073,681 | 992,040 |
| Elimination of inter-segment payables | <u>(249,264)</u> | <u>(219,297)</u> |
| | 824,417 | 772,743 |
| Amount due to an associate | 2,299 | 60,856 |
| Current tax payable | 19,889 | 19,073 |
| Deferred tax liabilities | <u>19,656</u> | <u>31,619</u> |
| Consolidated total liabilities | <u><u>866,261</u></u> | <u><u>884,291</u></u> |

3. REVENUE AND SEGMENT REPORTING (Continued)

(d) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, non-current deposits and prepayments and interest in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and the location of operations, in the case of interest in associates and deposits and prepayments.

| | Revenue from external customers | | Specified non-current assets | |
|-------------------------------|---------------------------------|-------------------------|------------------------------|-------------------------|
| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
| Hong Kong (place of domicile) | 43,041 | 45,669 | 1,810,509 | 1,925,169 |
| Chinese Mainland | 11,497 | 5,937 | 43,349 | 49,289 |
| North America | 122,001 | 134,206 | 98,678 | 129,815 |
| Europe | 169,589 | 151,321 | 52,835 | 52,926 |
| Japan | 4,581 | 3,707 | 57,771 | 58,317 |
| Singapore | 190 | 547 | 47,595 | 43,668 |
| Others | 261 | 2,324 | – | – |
| | 308,119 | 298,042 | 300,228 | 334,015 |
| | 351,160 | 343,711 | 2,110,737 | 2,259,184 |

4. OTHER REVENUE AND OTHER NET INCOME/(LOSS)

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Other revenue | | |
| Interest income from loans to an associate | 3,102 | 2,619 |
| Other interest income | 1,339 | 1,422 |
| Dividend income | 74 | 257 |
| Air conditioning, management and maintenance service charges from tenants | 4,302 | 4,699 |
| Management service fee | 1,496 | 1,496 |
| Government grants | 35 | – |
| Sales of scrap | 109 | 62 |
| Sundry income | 823 | 2,241 |
| | <u>11,280</u> | <u>12,796</u> |
| Other net income/(loss) | | |
| Net gain/(loss) on disposal of other property, plant and equipment | 10 | (4) |
| Net realised and unrealised exchange gain/(loss) | 16,678 | (10,594) |
| Net realised and unrealised gain on trading securities | 588 | 909 |
| Net realised and unrealised gain/(loss) on other financial assets | 4,806 | (5,369) |
| | <u>22,082</u> | <u>(15,058)</u> |
| | <u><u>33,362</u></u> | <u><u>(2,262)</u></u> |

5. LOSS BEFORE TAXATION

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| (a) Finance costs | | |
| Interest on bank loans | 30,823 | 38,822 |
| Interest on lease liabilities | <u>560</u> | <u>909</u> |
| | <u>31,383</u> | <u>39,731</u> |
| (b) Staff costs | | |
| Salaries, wages and other benefits | 126,775 | 135,960 |
| Employer's contributions to defined contribution retirement plans | <u>13,146</u> | <u>14,508</u> |
| | <u>139,921</u> | <u>150,468</u> |
| (c) Other operating expenses | | |
| Other operating expenses for the year included: | | |
| Amortisation of intangible assets | 34 | 34 |
| Addition of/(reversal of) of impairment losses of | | |
| – trade receivables | 5 | – |
| – other receivables | <u>–</u> | <u>(1,154)</u> |
| | 5 | (1,154) |
| Auditors' remuneration – auditors of the Group | | |
| – audit services | 4,521 | 4,401 |
| – non-assurance services | 46 | 160 |
| Auditors' remuneration – other auditors | 461 | 684 |
| Advertising and promotion | 7,495 | 8,293 |
| Building management and security service fee | 6,569 | 5,842 |
| Entertainment | 2,191 | 2,608 |
| Fuel, electricity and water | 7,919 | 8,002 |
| Government rent and rates | 2,693 | 2,493 |
| Insurance | 5,003 | 4,594 |
| Legal and professional fee | 6,701 | 5,770 |
| Office supplies | 1,002 | 909 |
| Expenses relating to short-term leases | 1,165 | 489 |
| Postage, telephone and fax | 1,910 | 2,412 |
| Product testing fee | 574 | 1,091 |
| Repair and maintenance | 5,456 | 8,881 |
| Research and development | 1,177 | 413 |
| Royalties, commission and sales service fee | 11,353 | 9,858 |
| Subcontracting fee | 11,697 | 16,993 |
| Subscription fee | 147 | 332 |
| Tools and consumables | 1,595 | 1,520 |
| Transportation and travelling | <u>12,481</u> | <u>12,312</u> |

5. LOSS BEFORE TAXATION (Continued)

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| (d) Other items | | |
| Depreciation | | |
| – owned assets | 30,009 | 32,652 |
| – right-of-use assets | 10,045 | 9,994 |
| Cost of inventories | 200,885 | 168,014 |
| Reversal of write-down of inventories | – | (3,878) |
| Rental receivable from investment properties less direct outgoings of HK\$8,371,000 (2024: HK\$7,641,000) | <u>(35,429)</u> | <u>(42,228)</u> |

Cost of inventories includes HK\$64,874,000 (2024: HK\$71,295,000) relating to staff costs, depreciation charges in respect of other property, plant and equipment and lease expenses, which amount is also included in the respective total amounts disclosed separately above and in the consolidated statement of profit or loss for each of these types of expenses.

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Current tax – Hong Kong Profits Tax | | |
| Provision for the year | 97 | 42 |
| (Over)/under-provision in respect of prior years | <u>(1)</u> | <u>4</u> |
| | ----- 96 | -----46 |
| Current tax – Outside Hong Kong | | |
| Provision for the year | 3 | 23 |
| Over-provision in respect of prior years | <u>(3)</u> | <u>(802)</u> |
| | ----- – | ----- (779) |
| Deferred tax | | |
| Origination and reversal of temporary differences | <u>972</u> | <u>(2,197)</u> |
| Income tax expense/(credit) | <u>1,068</u> | <u>(2,930)</u> |

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year.

The Corporate Income Tax (“CIT”) rate applicable to subsidiaries registered in the People’s Republic of China (“PRC”) is 25% (2024: 25%).

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

The Corporation tax rates applicable to the Group's operations in the United Kingdom (the "UK") and the United States ("the US") are 23.5% (2024: 23.5%) and 21% (2024: 21%) respectively.

Taxation for other subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

(b) Reconciliation between tax credit and accounting loss at applicable tax rates:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Loss before taxation | <u>(187,928)</u> | <u>(189,230)</u> |
| Notional tax on loss before taxation, calculated at the rates applicable to profits in the jurisdictions concerned | (32,223) | (32,394) |
| Tax effect of non-deductible expenses | 32,901 | 37,659 |
| Tax effect of non-taxable income | (3,622) | (7,635) |
| Tax effect of previously unrecognised tax losses utilised | (60) | (31) |
| Tax effect of unused tax losses not recognised | 2,966 | 606 |
| Tax effect of other temporary difference not recognised | 1,110 | (337) |
| Over-provision in prior years | <u>(4)</u> | <u>(798)</u> |
| Income tax expense/(credit) | <u>1,068</u> | <u>(2,930)</u> |

7. 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\$189,593,000 (2024: HK\$186,704,000) and the weighted average of 950,588,000 ordinary shares (2024: 950,588,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

The Company did not have dilutive potential ordinary shares outstanding during both 2025 and 2024. Accordingly, the diluted loss per share is the same as the basic loss per share for both 2025 and 2024.

8. INVENTORIES

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

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---------------------------------------|-------------------------|-------------------------|
| Carrying amount of inventories sold | 200,885 | 171,892 |
| Reversal of write-down of inventories | <u>—</u> | <u>(3,878)</u> |
| | <u>200,885</u> | <u>168,014</u> |

9. TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 1 month | 34,454 | 18,386 |
| 1 to 3 months | 31,922 | 41,640 |
| 3 to 12 months | 345 | 4,923 |
| Over 12 months | <u>6,598</u> | <u>2,190</u> |
| | <u>73,319</u> | <u>67,139</u> |

10. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

All of the trade and other payables, except for the amounts due to related companies and an associate, are expected to be settled or recognised as income within one year or are repayable on demand.

Amounts due to related companies and an associate are unsecured, interest-free and repayable on demand. The related companies have common directors and shareholders with the Company.

10. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

As of the end of the reporting period, the ageing analysis of trade creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-----------------------------------|-------------------------|-------------------------|
| Within 1 month | 11,372 | 4,141 |
| Over 1 month but within 3 months | 8,179 | 7,097 |
| Over 3 months but within 6 months | 1,195 | 4,478 |
| Over 6 months | <u>783</u> | <u>254</u> |
| | <u><u>21,529</u></u> | <u><u>15,970</u></u> |

11. CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: HK\$Nil).

(b) Issued share capital

| | 2025 | | 2024 | |
|--|-----------------------------|-----------------|-----------------------------|-----------------|
| | Number of shares '000 | <i>HK\$'000</i> | Number of shares '000 | <i>HK\$'000</i> |
| 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 the beginning and the end of the year | <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.

BUSINESS REVIEW

The continuous global economic volatilities and the geopolitical tensions and conflicts have significant impacts on the Group's performance for 2025. The global economic outlook remained fragile owing to subdued consumer sentiment and tariff tensions. To cope with these uncertainties conditions, the Group will continuously diversify its businesses, explore sales opportunities, implement further measures to enhance efficiency and strengthen the cost control measures.

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 Chinese Mainland and mostly sold to the United States, Europe and Chinese Mainland. For the financial year ended 31 December 2025, the revenue was approximately HK\$307.36 million, representing an increase of approximately 4.60% as compared to last year's revenue of approximately HK\$293.84 million.

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. For the financial year ended 31 December 2025, the Group's rental income amounted to approximately HK\$43.80 million (2024: approximately HK\$49.87 million). The rental income represented approximately 12.47% of the Group's revenue for the year (2024: approximately 14.51%).

During the year under review, the Group recorded valuation deficit of its investment properties of approximately HK\$109.99 million (2024: approximately HK\$112.37 million). The occupancy rate of its major investment properties, Kader Building, was approximately 63% (2024: approximately 68%).

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 the 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 year ended 31 December 2025, there is one customer with whom transactions have exceeded 10% of the Group's revenue. The sales to that customer represented approximately 11.46% of the Group's sales.

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 dollars ("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.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group places strong emphasis on sustainable development and has enhanced its systems and policies to support our emission-reduction targets, including those related to key performance indicators, greenhouse gas emissions, waste generation, and the use of energy and water. We have established a top-down Sustainability Governance Structure, under which the Environmental, Social and Governance ("ESG") Committee oversees ESG-related matters and convenes internal meetings regularly. In parallel, the Group maintains a comprehensive Environmental, Health and Safety ("EHS") Management System and an EHS Committee, which meets regularly to review environmental performance and conducts inspections to ensure effective implementation across all plants. To strengthen ESG and climate-related risk management, the Group has adopted a robust risk management framework that embeds climate-related risks into daily operations, strategic planning, and decision-making, and integrates these considerations into our enterprise risk management processes. Since the financial year of 2025, we have also conducted climate scenario analysis and ESG risk assessments to ensure a comprehensive understanding of climate-related risks and opportunities, and to formulate robust strategies and implementation plans accordingly.

In the financial year of 2025, the Group was not aware of any material non-compliance with the applicable environmental laws and regulations in Hong Kong and Mainland China.

KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group has been maintaining long-term trusting relationships with its employees, customers and suppliers:

Employees:

The Group believes that employees are the driving force behind our business success. We are committed to creating a supportive and innovative workplace for employees as well as cultivating a corporate culture with mutual trust and encouragement. We place a strong focus on improving employment management, safeguarding employees' health and safety, and ensuring they can fully leverage their strengths and potentials. We respect the unique perspective and experience of each employee. We are determined to provide equal employment and training opportunities to suitable candidates and all staff.

Customers:

The Group strives to maximise customer loyalty through quality products and on-time delivery. Quality Management system has been developed to systemise and standardise the product quality control process. The Group firmly believes that customer satisfaction plays a vital role within our business as well as acting as a key differentiator that enables us to thrive. All customers are welcomed to express their opinions and suggestions on our products and/or services through different channels.

Suppliers:

We understand that it is essential for our supply chain to align with our corporate social responsibility ("CSR") commitments and thus we select our suppliers carefully. All potential suppliers are requested to process evaluating purposes, including filling in the quality survey, providing compliance proof and submitting testing reports or reference sample. Supplier performance appraisal is also conducted regularly to assess their performance. In addition to quality consideration, we also take into account various ESG-related areas, including anti-corruption, occupational health and safety, product safety, labour standards and environmental protection.

For more details, please refer to the "Environmental, Social and Governance Report" section in the annual report.

FINANCIAL REVIEW

RESULTS

The Board announces that the Group's revenue for the financial year ended 31 December 2025 amounted to approximately HK\$351.16 million, representing an increase of approximately 2.17% over that reported last year and the loss from operations for 2025 amounted to approximately HK\$8.39 million as compared to last year's loss from operations of approximately HK\$13.81 million. The Group's loss attributable to equity shareholders for the financial year ended 31 December 2025 was approximately HK\$189.59 million (2024: approximately HK\$186.70 million) which included, the deficit on revaluation of investment properties of approximately HK\$109.99 million (2024: approximately HK\$112.37 million) and finance costs of approximately HK\$31.38 million (2024: approximately HK\$39.73 million).

Liquidity and Financial Resources

As at 31 December 2025, the Group's net asset value per share was approximately HK\$1.83 (2024: approximately HK\$2.03). The Group had net current liabilities of approximately HK\$386.02 million (2024: approximately HK\$325.12 million). Total bank borrowings were approximately HK\$719.77 million (2024: approximately HK\$673.71 million) while the secured total banking facilities were approximately HK\$858.80 million (2024: approximately HK\$871.13 million). Included in total bank borrowings were revolving loans of approximately HK\$655.23 million (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 41.27% (2024: approximately 35.00%). The majority of borrowings are on floating interest rate terms. The Group will negotiate with banks for banking facilities for working capital needs, if necessary.

Capital Structure

During the year, there were no changes in the Company's share capital.

Charges on Group Assets

As at 31 December 2025, investment properties and certain leasehold land and buildings of the Group with a net book value of approximately HK\$1,739.83 million (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 year ended 31 December 2025.

Contingent Liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed 588 (2024: 768) full time management, administrative and production staff in the Hong Kong Special Administrative Region, Chinese Mainland, 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 year ended 31 December 2025 amounted to approximately HK\$139.92 million (2024: approximately HK\$150.47 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

The economic outlook for the year ahead will continue to be challenging due to unpredictable global economy, continuous geopolitical conflicts and keen competition among industry. Faced with the challenging and variable global economy, a cautious and proactive approach will be maintained. The Group will always put effort into diversifying its businesses, exploring sales opportunities, raising production efficiency and maintaining the cost control measures in order to mitigate the external impacts and sustain its businesses. The whole process of revitalization of Kader Building is continuing and nearly come to the end. It is anticipated that its value and rental income will be steadily improved in the future.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: HK\$Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the forthcoming annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 22 June 2026. The record date for attending and voting at the forthcoming annual general meeting is Friday, 26 June 2026.

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 year.

CORPORATE GOVERNANCE PRACTICES

The Board sets its corporate governance procedure and duties pursuant to the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and it accordingly reviews and monitors the training and continuous development in profession of directors and senior management and its policies and practices in compliance with relevant laws and regulatory requirements. The Company has adopted and applied a corporate governance policy. During the reporting year, the Group has complied with all applicable code provisions set out in the 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. 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 considerable industry experience.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 year.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the key accounting policies and discussed auditing, internal controls and financial reporting matters, including a review of the annual results for the year ended 31 December 2025.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the announcement.

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

Hong Kong, 23 March 2026

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. Andrew Yao Chofai, BBS, JP, Mr. Desmond Chum Kwan-yue, Ms. Sabrina Chao Sih-ming, BBS, JP and Mr. Daryl Liu Zhen-rong.