



For Immediate Release

## **Kader Group of Companies Celebrate 60 Years of Steady Growth**

[Hong Kong, 26<sup>th</sup> June 2008] Leading manufacturer of plastic products, quality toys and model railroads, Kader Industrial Co. Ltd. (“Kader” or “the Company”) celebrates its Diamond Jubilee this year. To commemorate its 60<sup>th</sup> year of leadership in the industry, Kader will be hosting a cocktail reception at the Four Seasons Hong Kong Hotel today.

Founded in 1948 and listed on the Main Board of the Stock Exchange of Hong Kong in 1985, Hong Kong-based Kader has built a solid manufacturing business, producing various plastic toys and model railroads for the world. As a small token of gratitude to the Hong Kong society, Kader is pleased to donate all the proceeds generated from the congratulatory supplement, totaling HK\$ 150,000, to the S.K.H. St. Christopher’s Home, the largest non-governmental organization in Hong Kong providing small group home service for children who cannot receive adequate family care.

Mr. Kenneth Ting, Chairman of Kader Industrial Company Limited, said, “It has been our belief since Kader was founded 60 years ago that by persevering, we will prevail and see the Group’s business go from strength to strength. Today, we are proud to say that, guided by the principle of developing reliable and quality products, we have expanded the Group into a leading player in the plastic manufacturing industry.”

### **A Tried and Tested Business Strategy**

Kader’s success was built upon long-term relationships with customers, engaging in fair, responsible business practices and producing reliable products for them. This strategy allowed for Kader to operate in a highly competitive toys industry, where manufacturing costs continue to rise and consumers’ tastes and preferences change rapidly.

Kader also invests steadily in R&D and new technologies which complement its present skill sets especially in product design, mould manufacturing, injection moulding, electronic assembly and pad printing. Ultimately Kader aims to generate increased profits through providing clients with better and finer products. This direction will continue to enable Kader to maintain its business relationships with their clients whilst allowing for the Company to thrive in the industry.

## **A Sensible Approach to Expansion**

In addition to developing relationships with customers in mature markets, Kader is also focused on aggressively pursuing opportunities in emerging markets such as China and Middle East. In China, Kader seeks to expand its retail operations, which is presently based in Shanghai to other cities such as Beijing and Guangzhou in the near future. It will also actively seek for opportunities to further increase the market for model trains in China through expanding the distribution network. The Company believes that the Middle East market could become a source for growth and has already begun to make headways into the region.

In property, the Kader Building continues to provide the Company with a healthy rental income. Kader's investment, the Resort at Squaw Creek, has recently undergone a successful condominium conversion. The Resort is presently at the last stages of the entitlement process for an adjacent parcel of land, which if finalized, will be an additional asset to the investment. Kader will continue to seek new opportunities in property investments that could add to the stabilizing role of this division to the Company's financials.

## **A Bright Future Business Outlook**

At present, Kader has no plans to relocate its production facilities to countries such as Vietnam or India. The reasoning for this is that the highly skilled labour and logistics essential for success in the toys industry mean the Company's operations must continue to be located close to its suppliers. While the increase in labour costs and depreciation of the US\$ against Renminbi may slightly decrease Kader's short-term profit margins, the Company is confident that the long-term prospects of manufacturing in China is still viable and preferred.

2008 is likely to experience a consolidation in the industry because of rapidly increasing raw materials prices, the introduction of new labour legislation in China and more stringent safety regulations around the world. These factors will pose as short-term challenges to the Company. However, Kader's senior management believes this trend is ultimately favourable to quality-oriented companies such as itself as it will lead to a more level playing field for competition. At the end of the day, the Company maintains a healthy balance sheet with a reasonable level of gearing which will allow the Company to be in a good position to weather the present volatile market. As a result, Kader's management is cautiously optimistic of continued growth in future.

As a leader in its field, Kader has always been dedicated to the health and safety of its workforce by complying with regulations relating to codes of conduct and work ethics. Ultimately, the Company's management believes that its investment in promoting a healthy working environment will help to retain skilled labour and create a loyal workforce.

Going forward, Kader's strategy continues to be developing clients by providing them with continued reliable and quality service and products; upgrading manufacturing services and investing in new related technologies and capabilities to further enhance product quality and reliability; focusing on non-traditional markets to achieve a faster pace of revenue growth and using the property division to act as a stabilizing factor in our finances. Kader believes that by doing so, the Company will continue to generate stable returns for its shareholders.

~ End ~

Issued on behalf of Kader Industrial Company Limited. For media enquiries, please contact:

Anna Ng  
Kader Industrial Company Limited  
Tel: (852) 2798 1688  
Fax: (852) 2796 1126  
Email: [kader@kader.com.hk](mailto:kader@kader.com.hk)

**Kader Industrial Company Limited**

11/F, 22 Kai Cheung Road, Kowloon Bay, Hong Kong  
Tel +852 2798 1688 Fax +852 2796 1126

**開達實業有限公司**

香港九龍灣啟祥道22號11樓

E-mail [kader@kader.com.hk](mailto:kader@kader.com.hk) [www.kader.com.hk](http://www.kader.com.hk)

