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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 2024

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 2024 together with comparative figures for the year 2023 are summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Revenue	3	343,711	372,543
Other revenue and other net (loss)/income	4	(2,262)	21,621
Changes in inventories of finished goods and work in progress		33,636	15,941
Cost of purchase of finished goods		(40,892)	(56,015)
Raw materials and consumables used		(45,531)	(16,829)
Staff costs	5(b)	(150,468)	(163,223)
Depreciation	5(d)	(42,646)	(41,037)
Other operating expenses	5(c)	(109,355)	(109,400)
(Loss)/profit from operations		(13,807)	23,601
Finance costs	5(a)	(39,731)	(35,199)
Share of profits less losses of associates		(19,355)	(15,893)
Impairment loss of loans to an associate		(3,969)	(1,128)
Deficit on revaluation of investment properties		(112,368)	(57,643)
Loss before taxation	5	(189,230)	(86,262)
Income tax credit	6	2,930	12,824
Loss for the year		(186,300)	(73,438)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)**For the year ended 31 December 2024*

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Attributable to:			
Equity shareholders of the Company		(186,704)	(74,634)
Non-controlling interests		<u>404</u>	<u>1,196</u>
Loss for the year		<u>(186,300)</u>	<u>(73,438)</u>
Loss per share			
Basic	7(a)	(19.64)¢	(7.85)¢
Diluted	7(b)	<u>(19.64)¢</u>	<u>(7.85)¢</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	(186,300)	(73,438)
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>(1,316)</u>	<u>9,157</u>
Total comprehensive income for the year	<u>(187,616)</u>	<u>(64,281)</u>
Attributable to:		
Equity shareholders of the Company	(187,823)	(65,287)
Non-controlling interests	<u>207</u>	<u>1,006</u>
Total comprehensive income for the year	<u>(187,616)</u>	<u>(64,281)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

		2024	2023
	Note	HK\$'000	HK\$'000
Non-current assets			
Investment properties		1,915,264	2,023,641
Other property, plant and equipment		<u>218,805</u>	<u>237,134</u>
		2,134,069	2,260,775
Intangible assets		284	318
Interest in associates		55,655	61,342
Other financial assets		48,102	59,320
Deposits and prepayments		69,176	62,435
Deferred tax assets		<u>22,289</u>	<u>18,834</u>
		<u>2,329,575</u>	<u>2,463,024</u>
Current assets			
Trading securities		4,019	10,076
Inventories	8	269,638	285,136
Current tax recoverable		61	310
Loans to an associate		61,114	51,518
Trade and other receivables	9	96,060	105,882
Cash and cash equivalents		<u>48,934</u>	<u>80,126</u>
		<u>479,826</u>	<u>533,048</u>
Current liabilities			
Trade and other payables and contract liabilities	10	141,216	142,437
Bank loans		636,660	646,707
Lease liabilities		7,994	7,662
Current tax payable		<u>19,073</u>	<u>23,475</u>
		<u>804,943</u>	<u>820,281</u>
Net current liabilities		<u>(325,117)</u>	<u>(287,233)</u>
Total assets less current liabilities carried forward		<u>2,004,458</u>	<u>2,175,791</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*At 31 December 2024*

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Total assets less current liabilities brought forward		<u>2,004,458</u>	<u>2,175,791</u>
Non-current liabilities			
Bank loans		37,054	12,307
Lease liabilities		10,587	18,018
Deferred tax liabilities		31,619	30,499
Accrued employee benefits		<u>88</u>	<u>147</u>
		<u>79,348</u>	<u>60,971</u>
NET ASSETS		<u>1,925,110</u>	<u>2,114,820</u>
CAPITAL AND RESERVES	<i>11</i>		
Share capital		95,059	95,059
Reserves		<u>1,825,056</u>	<u>2,012,879</u>
Total equity attributable to equity shareholders of the Company		1,920,115	2,107,938
Non-controlling interests		<u>4,995</u>	<u>6,882</u>
TOTAL EQUITY		<u>1,925,110</u>	<u>2,114,820</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 2024 but the information herein has been extracted from the draft consolidated financial statements.

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group's interest in associates.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting 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\$325,117,000. Despite the net current liabilities as at 31 December 2024, the Group's cash and cash equivalents amounted to HK\$48,934,000 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 2024 and the unutilised banking facilities of HK\$163,807,000 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 2024. 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 the following amendment to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* (“2020 amendments”) and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* (“2022 amendments”)
- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. 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:

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales of goods	293,842	322,751
Revenue from other sources		
– Gross rentals from investment properties that the lease payments are fixed	<u>49,869</u>	<u>49,792</u>
	<u>343,711</u>	<u>372,543</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 no customer with whom transactions have exceeded 10% of the Group's revenue in 2024 and 2023.

(a) 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 2024 and 2023 is set out below:

	Toys and model trains		Property investment		Investment holding		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	293,842	322,751	49,869	49,792	-	-	343,711	372,543
Inter-segment revenue	-	-	4,763	4,106	-	-	4,763	4,106
Reportable segment revenue	293,842	322,751	54,632	53,898	-	-	348,474	376,649
Reportable segment profit/(loss) (adjusted EBITDA)	6,282	17,625	28,338	31,964	(3,485)	(6,538)	31,135	43,051
Interest income	228	220	1,365	4	2,448	3,685	4,041	3,909
Interest expenses	(27,707)	(27,346)	(12,024)	(7,853)	-	-	(39,731)	(35,199)
Depreciation and amortisation for the year	(26,292)	(38,455)	(16,388)	(2,616)	-	-	(42,680)	(41,071)
Reportable segment assets	528,957	586,857	2,055,283	2,144,977	256,215	256,514	2,840,455	2,988,348
Additions to non-current segment assets during the year	27,044	26,936	10,719	64,292	6,216	5,207	43,979	96,435
Reportable segment liabilities	838,613	846,027	149,109	131,494	4,318	7,282	992,040	984,803

3. REVENUE AND SEGMENT REPORTING (Continued)

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

	2024 HK\$'000	2023 HK\$'000
Revenue		
Reportable segment revenue	348,474	376,649
Elimination of inter-segment revenue	(4,763)	(4,106)
Consolidated revenue	<u>343,711</u>	<u>372,543</u>
Profit or loss		
Reportable segment profit	31,135	43,051
Elimination of inter-segment profit	—	—
Reportable segment profit derived from the Group's external customers	31,135	43,051
Other revenue and other net (loss)/income	(2,262)	21,621
Depreciation and amortisation	(42,680)	(41,071)
Finance costs	(39,731)	(35,199)
Share of profits less losses of associates	(19,355)	(15,893)
Impairment loss of loans to an associate	(3,969)	(1,128)
Deficit on revaluation of investment properties	(112,368)	(57,643)
Consolidated loss before taxation	<u>(189,230)</u>	<u>(86,262)</u>
Assets		
Reportable segment assets	2,840,455	2,988,348
Elimination of inter-segment receivables	(219,391)	(204,724)
	<u>2,621,064</u>	<u>2,783,624</u>
Intangible assets	284	318
Interest in associates	55,655	61,342
Loans to an associate	61,114	51,518
Current tax recoverable	61	310
Deferred tax assets	22,289	18,834
Cash and cash equivalents	<u>48,934</u>	<u>80,126</u>
Consolidated total assets	<u>2,809,401</u>	<u>2,996,072</u>
Liabilities		
Reportable segment liabilities	992,040	984,803
Elimination of inter-segment payables	(219,297)	(204,724)
	<u>772,743</u>	<u>780,079</u>
Amount due to an associate	60,856	47,199
Current tax payable	19,073	23,475
Deferred tax liabilities	<u>31,619</u>	<u>30,499</u>
Consolidated total liabilities	<u>884,291</u>	<u>881,252</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	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hong Kong (place of domicile)	45,669	49,118	1,925,169	2,056,674
Mainland China	5,937	5,243	49,289	53,048
North America	134,206	144,408	129,815	120,978
Europe	151,321	171,446	52,926	54,659
Japan	3,707	407	58,317	60,649
Singapore	547	760	43,668	38,862
Others	2,324	1,161	—	—
	298,042	323,425	334,015	328,196
	343,711	372,543	2,259,184	2,384,870

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

	2024 HK\$'000	2023 HK\$'000
Other revenue		
Interest income from loans to an associate	2,619	2,504
Other interest income	1,422	1,405
Dividend income	257	460
Air conditioning, management and maintenance service charges from tenants	4,699	5,023
Management service fee	1,496	1,473
Material charges	–	379
Sales of scrap	62	–
Sundry income	2,241	2,210
	<u>12,796</u>	<u>13,454</u>
Other net (loss)/income		
Net (loss)/gain on disposal of other property, plant and equipment	(4)	53
Net gain on disposal of a subsidiary	–	17
Net realised and unrealised exchange (loss)/gain	(10,594)	8,163
Net realised and unrealised gain/(loss) on trading securities	909	(291)
Net realised and unrealised (loss)/gain on other financial assets	(5,369)	225
	<u>(15,058)</u>	<u>8,167</u>
	<u>(2,262)</u>	<u>21,621</u>

5. LOSS BEFORE TAXATION

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

	2024 HK\$'000	2023 HK\$'000
(a) Finance costs		
Interest on bank loans	38,822	34,031
Interest on lease liabilities	909	1,168
	<u>39,731</u>	<u>35,199</u>
(b) Staff costs		
Salaries, wages and other benefits	135,960	147,492
Employer's contributions to defined contribution retirement plans	14,508	15,731
	<u>150,468</u>	<u>163,223</u>
(c) Other operating expenses		
Other operating expenses for the year included:		
Amortisation of intangible assets	34	34
(Reversal of)/addition of impairment losses of		
– trade receivables	–	70
– other receivables	(1,154)	44
	<u>(1,154)</u>	<u>114</u>
Auditors' remuneration – auditors of the Group		
– audit services	4,401	4,543
– non-assurance services	160	184
Auditors' remuneration – other auditors	684	120
Advertising and promotion	8,293	7,770
Building management and security service fee	5,842	5,246
Entertainment	2,608	3,092
Fuel, electricity and water	8,002	8,370
Government rent and rates	2,493	2,362
Insurance	4,594	4,366
Legal and professional fee	5,770	5,726
Office supplies	909	1,260
Expenses relating to short-term leases	489	154
Postage, telephone and fax	2,412	2,064
Product testing fee	1,091	404
Repair and maintenance	8,881	3,363
Research and development	413	779
Royalties, commission and sales service fee	9,858	8,510
Subcontracting fee	16,993	22,793
Subscription fee	332	230
Tools and consumables	1,520	1,465
Transportation and travelling	12,312	13,756

5. LOSS BEFORE TAXATION (Continued)

	2024 HK\$'000	2023 HK\$'000
(d) Other items		
Depreciation		
– owned assets	32,652	31,131
– right-of-use assets	9,994	9,906
Cost of inventories	168,014	183,413
Reversal of write-down of inventories	(3,878)	(3,938)
Rental receivable from investment properties less direct outgoings of HK\$7,641,000 (2023: HK\$7,154,000)	<u>(42,228)</u>	<u>(42,638)</u>

Cost of inventories includes HK\$71,295,000 (2023: HK\$77,216,000) 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:

	2024 HK\$'000	2023 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	42	93
Under/(over)-provision in respect of prior years	<u>4</u>	<u>(13,983)</u>
	<u>46</u>	<u>(13,890)</u>
Current tax – Outside Hong Kong		
Provision for the year	23	2,587
(Over)/under-provision in respect of prior years	<u>(802)</u>	<u>139</u>
	<u>(779)</u>	<u>2,726</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(2,197)</u>	<u>(1,660)</u>
Income tax credit	<u>(2,930)</u>	<u>(12,824)</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 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% (2023: 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% (2023: 23.5%) and 21% (2023: 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:

	2024 HK\$'000	2023 HK\$'000
Loss before taxation	<u>(189,230)</u>	<u>(86,262)</u>
Notional tax on loss before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	(32,394)	(43,470)
Tax effect of non-deductible expenses	37,659	52,765
Tax effect of non-taxable income	(7,635)	(9,268)
Tax effect of previously unrecognised tax losses utilised	(31)	(10)
Tax effect of unused tax losses not recognised	606	449
Tax effect of other temporary difference not recognised	(337)	554
Over-provision in prior years	<u>(798)</u>	<u>(13,844)</u>
Income tax credit	<u>(2,930)</u>	<u>(12,824)</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\$186,704,000 (2023: HK\$74,634,000) and the weighted average of 950,588,000 ordinary shares (2023: 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 2024 and 2023. Accordingly, the diluted loss per share is the same as the basic loss per share for both 2024 and 2023.

8. INVENTORIES

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

	2024 HK\$'000	2023 HK\$'000
Carrying amount of inventories sold	171,892	187,351
Reversal of write-down of inventories	<u>(3,878)</u>	<u>(3,938)</u>
	<u>168,014</u>	<u>183,413</u>

The reversal of write-down of inventories made in the prior year arose upon subsequent sale of these inventories.

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:

	2024 HK\$'000	2023 HK\$'000
Within 1 month	18,386	32,101
1 to 3 months	41,640	27,714
3 to 12 months	4,923	20,808
Over 12 months	<u>2,190</u>	<u>107</u>
	<u>67,139</u>	<u>80,730</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:

	2024 HK\$'000	2024 HK\$'000
Within 1 month	4,141	7,740
Over 1 month but within 3 months	7,097	7,765
Over 3 months but within 6 months	4,478	3,256
Over 6 months	254	1,618
	<u>15,970</u>	<u>20,379</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 2024 (2023: HK\$Nil).

(b) Issued share capital

	2024		2023	
	Number of shares '000	HK\$'000	Number of shares '000	HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>
Ordinary shares, issued and fully paid:				
At 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 global economic volatilities and the geopolitical tensions and conflicts have significant impacts on the Group's performance for 2024. The global economic outlook remained fragile due to geopolitical and financial aspects including weak consumer confidence and high inflation levels. 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 Mainland China and mostly sold to the United States, Europe and Mainland China. For the financial year ended 31 December 2024, the revenue was approximately HK\$293.84 million, representing a decrease of approximately 8.96% as compared to last year's revenue of approximately HK\$322.75 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 2024, the Group's rental income amounted to approximately HK\$49.87 million (2023: approximately HK\$49.79 million). The rental income represented approximately 14.51% of the Group's revenue for the year (2023: approximately 13.37%).

During the year under review, the Group recorded valuation deficit of its investment properties of approximately HK\$112.37 million (2023: approximately HK\$57.64 million). The occupancy rate of its major investment properties, Kader Building, was approximately 68% (2023: approximately 69%).

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's customer base is diversified and for the year ended 31 December 2024, 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 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 is committed to sustainable and responsible business practices. We have established a comprehensive Environmental, Health, and Safety ("EHS") Management System to manage the environmental footprint of our business. The Environmental, Social, and Governance ("ESG") Committee meets periodically to discuss EHS in order to assess the Group's environmental performance and the application of the system and pertinent policies. An ESG risk management system is also in place to allow the Group to make better decisions and assist our stakeholders by identifying and managing the risks in a dynamic operating environment. To further enhance our environmental performance, we have established systems and policies to achieve our emission reduction targets based on the key performance indicator regarding greenhouse gas emission, waste generation, use of energy and water. The Group also recognises that the long-term risks of climate change have far-reaching impacts on our operations and business environment.

In the financial year of 2024, 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 2024 amounted to approximately HK\$343.71 million, representing a decrease of approximately 7.74% over that reported last year and the loss from operations for 2024 amounted to approximately HK\$13.81 million as compared to last year's profit from operations of approximately HK\$23.60 million. The Group's loss attributable to equity shareholders for the financial year ended 31 December 2024 was approximately HK\$186.70 million (2023: approximately HK\$74.63 million) which included, the deficit on revaluation of investment properties of approximately HK\$112.37 million (2023: approximately HK\$57.64 million) and finance costs of approximately HK\$39.73 million (2023: approximately HK\$35.20 million).

Liquidity and Financial Resources

As at 31 December 2024, the Group's net asset value per share was approximately HK\$2.03 (2023: approximately HK\$2.22). The Group had net current liabilities of approximately HK\$325.12 million (2023: approximately HK\$287.23 million). Total bank borrowings were approximately HK\$673.71 million (2023: approximately HK\$659.01 million) while the secured total banking facilities were approximately HK\$871.13 million (2023: approximately HK\$882.75 million). Included in total bank borrowings were revolving loans of approximately HK\$596.50 million (2023: approximately HK\$602.00 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 35.00% (2023: approximately 31.16%). 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 2024, investment properties and certain leasehold land and buildings of the Group with a net book value of approximately HK\$1,829.17 million (2023: approximately HK\$1,918.83 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 2024.

Contingent Liabilities

As at 31 December 2024, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed 768 (2023: 817) full time management, administrative and production staff in the HKSAR, Mainland China, the United States and Europe. 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 2024 amounted to approximately HK\$150.47 million (2023: approximately HK\$163.22 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, intense geopolitical conflicts and keen competition. Faced with the challenging and variable global economy, the Group will keep on diversify its businesses, explore sales opportunities, raise production efficiency and strengthen the cost control measures in order to sustain its businesses. The Group is taking the necessary measures to fulfil the requirements for revitalization of Kader Building and continued to be optimistic that its value and the rental income will be steadily enhanced in the future.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: HK\$Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 19 June 2025 to Tuesday, 24 June 2025, 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 Wednesday, 18 June 2025.

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 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 six out of ten of the directors of the Company being non-executive director and INEDs during the year under review. 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 2024.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 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, 31 March 2025

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.