KADER
Manufacturing Trust

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 2026

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 interest in associates for the six months ended 30 June 2026, together with comparative figures for the corresponding period in 2025 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Revenue	*4 & 5*	**131,501**	134,184
Other revenue and other net income		**2,850**	31,138
Changes in inventories of finished goods and work in progress		**11,827**	6,475
Cost of purchase of finished goods		**(24,064)**	(24,969)
Raw materials and consumables used		**(6,884)**	(8,501)
Staff costs		**(70,383)**	(72,174)
Depreciation		**(18,927)**	(21,699)
Other operating expenses		**(57,030)**	(50,340)
Loss from operations		**(31,110)**	(5,886)
Finance costs	*6(a)*	**(14,968)**	(16,708)
Share of profits less losses of associates		**(1,601)**	(7,235)
Impairment loss on interest in associates		**(3,060)**	–
Deficit on revaluation of investment properties	*9(d)*	**(92,042)**	(61,324)
Loss before taxation	*6*	**(142,781)**	(91,153)
Income tax credit/(expense)	*7*	**2,144**	(1,639)
Loss for the period		**(140,637)**	(92,792)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (*Continued*)

For the six months ended 30 June 2026- unaudited

		Six months ended 30 June	
		2026	2025
	Note	***HK$'000***	*HK$'000*
Attributable to:			
Equity shareholders of the Company		**(140,314)**	(92,801)
Non-controlling interests		**(323)**	9
Loss for the period		**(140,637)**	(92,792)
Loss per share	*8*		
Basic		**(14.76¢)**	(9.76¢)
Diluted		**(14.76¢)**	(9.76¢)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026 – unaudited

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Loss for the period	(140,637)	(92,792)
Other comprehensive income for the period: (after tax and reclassification adjustments)		
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	(3,474)	11,410
Total comprehensive income for the period	(144,111)	(81,382)
Attributable to:		
Equity shareholders of the Company	(144,001)	(81,726)
Non-controlling interests	(110)	344
Total comprehensive income for the period	(144,111)	(81,382)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026- unaudited

	Note	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Non-current assets			
Investment properties	9	**1,719,841**	1,810,943
Other property, plant and equipment	9	**207,306**	215,823
		1,927,147	2,026,766
Intangible assets		**234**	250
Interest in associates		**21,578**	26,966
Other financial assets		**57,674**	57,420
Deposits and prepayments		**64,343**	56,755
Deferred tax assets		**8,206**	8,826
		2,079,182	2,176,983
Current assets			
Trading securities		**2,337**	2,927
Inventories	10	**269,985**	256,955
Current tax recoverable		**–**	13
Trade and other receivables	11	**69,370**	108,496
Cash and cash equivalents		**57,641**	64,851
		399,333	433,242
Current liabilities			
Trade and other payables and contract liabilities	12	**98,402**	95,662
Bank loans		**700,145**	695,199
Lease liabilities		**6,831**	8,511
Current tax payable		**20,781**	19,889
		826,159	819,261
Net current liabilities		**(426,826)**	(386,019)
Total assets less current liabilities carried forward		**1,652,356**	1,790,964

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)

As at 30 June 2026 – unaudited

	Note	At 30 June 2026 HK$'000	At 31 December 2025 HK$'000
Total assets less current liabilities brought forward		**1,652,356**	1,790,964
Non-current liabilities			
Bank loans		**24,024**	24,570
Lease liabilities		**1,662**	2,760
Loan from a director		**10,000**	–
Deferred tax liabilities		**16,813**	19,656
Accrued employee benefits		**4**	14
		52,503	47,000
NET ASSETS		**1,599,853**	1,743,964
CAPITAL AND RESERVES			
Share capital	*13(b)*	**95,059**	95,059
Reserves		**1,499,106**	1,643,107
Total equity attributable to equity shareholders of the Company		**1,594,165**	1,738,166
Non-controlling interests		**5,688**	5,798
TOTAL EQUITY		**1,599,853**	1,743,964

NOTES

1. INDEPENDENT REVIEW

The interim financial results for the six months ended 30 June 2026 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 2026 comprise the Group and the Group's interest 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 2026 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 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 2026, the Group recorded net current liabilities of HK$$426,826,000 (31 December 2025: HK$386,019,000). Despite the net current liabilities as at 30 June 2026, the Group's cash and cash equivalents amounted to HK$$57,641,000 (31 December 2025: HK$64,851,000) on the same day. Furthermore, based on unutilised banking facilities of HK$$75,352,000 (31 December 2025: HK$139,035,000), 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 2026. 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 2025 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 HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The impacts of adopting these amendments are discussed below.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.

- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance ("ESG")-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.

- The amendments introduce new disclosures for disposals of investments in equity instruments designated at FVOCI, and for financial instruments not measured at FVPL which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

Upon adoption of the amendments, the Group has elected to apply the exception for the derecognition of certain trade payables settled in cash using qualifying electronic payment systems. Under the exception, these trade payables are derecognised when the Group initiates a payment instruction through a qualifying electronic payment system and, as a result, no longer has the practical ability to withdraw, stop, or cancel the payment instruction and to access the cash to be used for settlement, and the settlement risk associated with the payment system is insignificant. The Group has applied this election consistently to all settlements made through the same qualifying electronic payment system.

3. CHANGES IN ACCOUNTING POLICIES (*Continued*)

New and amended HKFRS Accounting Standards (*Continued*)

The Group has applied the amendments retrospectively. As permitted by the transition requirements, the Group has not restated prior periods. The application of the exception does not have a material impact on the Group's consolidated financial statements for the periods presented.

The amendments would also affect the disclosures to be included in the Group's annual financial statements for the year ending 31 December 2026 in respect of investments in equity instruments designated at FVOCI and financial instruments not measured at FVPL with specified contingent features. No additional disclosure has been included in this interim financial report.

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.

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:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
– Sales of goods	**109,098**	109,754
Revenue from other sources		
– Gross rentals from investment properties	**22,403**	24,430
	131,501	134,184

The Group's customer base is diversified and there is one (2025: no) customer with whom transactions have exceeded 10% of the Group's revenue in 2026.

(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 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	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
For the six months ended 30 June	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**109,098**	109,754	**22,403**	24,430	**–**	–	**131,501**	134,184
Inter-segment revenue	**–**	–	**3,122**	3,095	**–**	–	**3,122**	3,095
Reportable segment revenue	**109,098**	109,754	**25,525**	27,525	**–**	–	**134,623**	137,279
Reportable segment (loss)/profit (adjusted EBITDA)	**(23,841)**	(25,313)	**12,543**	13,847	**(3,718)**	(3,842)	**(15,016)**	(15,308)
Additions to non-current segment assets during the period	**13,104**	6,338	**7,597**	10,124	**–**	4,463	**20,701**	20,925

	Toys and model trains		Property investment		Investment holding		Total	
	At 30 June 2026	At 31 December 2025	**At 30 June 2026**	At 31 December 2025	**At 30 June 2026**	At 31 December 2025	**At 30 June 2026**	At 31 December 2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**477,166**	511,190	**1,859,466**	1,947,830	**300,211**	299,563	**2,636,843**	2,758,583
Reportable segment liabilities	**896,514**	884,852	**185,991**	184,092	**4,550**	4,737	**1,087,055**	1,073,681

4. REVENUE AND SEGMENT REPORTING (*Continued*)

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**134,623**	137,279
Elimination of inter-segment revenue	**(3,122)**	(3,095)
Consolidated revenue	**131,501**	134,184
Profit or loss		
Reportable segment loss	**(15,016)**	(15,308)
Elimination of inter-segment profit	**–**	–
Reportable segment loss derived from Group's external customers	**(15,016)**	(15,308)
Other revenue and other net income	**2,850**	31,138
Depreciation and amortisation	**(18,944)**	(21,716)
Finance costs	**(14,968)**	(16,708)
Share of profits less losses of associates	**(1,601)**	(7,235)
Impairment loss on interest in associates	**(3,060)**	–
Deficit on revaluation of investment properties	**(92,042)**	(61,324)
Consolidated loss before taxation	**(142,781)**	(91,153)

NOTES (*Continued*)

4. REVENUE AND SEGMENT REPORTING (*Continued*)

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

	At 30 June 2026 *HK$'000*	At 31 December 2025 *HK$'000*
Assets		
Reportable segment assets	**2,636,843**	2,758,583
Elimination of inter-segment receivables	**(245,987)**	(249,264)
	2,390,856	2,509,319
Intangible assets	**234**	250
Interest in associates	**21,578**	26,966
Current tax recoverable	**-**	13
Deferred tax assets	**8,206**	8,826
Cash and cash equivalents	**57,641**	64,851
Consolidated total assets	**2,478,515**	2,610,225
Liabilities		
Reportable segment liabilities	**1,087,055**	1,073,681
Elimination of inter-segment payables	**(245,987)**	(249,264)
	841,068	824,417
Amount due to an associate	**–**	2,299
Current tax payable	**20,781**	19,889
Deferred tax liabilities	**16,813**	19,656
Consolidated total liabilities	**878,662**	866,261

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):

		Six months ended 30 June	
		2026	2025
		HK$'000	*HK$'000*
(a)	**Finance costs**		
	Interest on bank loans	**14,738**	16,374
	Interest on loan from a director	**28**	–
	Interest on lease liabilities	**202**	334
		14,968	16,708
(b)	**Other items**		
	Cost of inventories *(note 10)*	**62,241**	72,921
	Amortisation of intangible assets	**17**	17
	Depreciation charge		
	– owned assets	**13,627**	16,735
	– right-of-use assets	**5,300**	4,964
	Net loss on disposal of other property, plant and equipment *(note 9(c))*	**560**	–
	Net realised and unrealised loss/(gain) on trading securities	**510**	(289)
	Net realised and unrealised gain on other financial assets	**(327)**	(5,893)
	Dividend and interest income	**(484)**	(2,207)
(c)	**Other operating expenses**		
	Other operating expenses for the period included:		
	Auditors' remuneration- auditors of the Group		
	– audit services	**1,897**	2,228
	Auditors' remuneration- other auditors	**533**	158
	Advertising and promotion	**3,828**	4,548
	Building management office and security service fees	**3,188**	2,871
	Entertainment	**1,007**	1,829
	Fuel, electricity and water	**4,138**	3,619
	Government rent and rates	**1,242**	1,297
	Insurance	**2,651**	2,411
	Legal and professional fee	**4,842**	3,271
	Postage, telephone and fax	**777**	1,006
	Repair and maintenance	**2,230**	2,467
	Royalties, commission and sales service fee	**6,466**	5,201
	Subcontracting fee	**6,994**	4,639
	Tools and consumables	**4,534**	1,047
	Transportation and travelling	**5,382**	5,190

7. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax	**24**	–
Current tax – Outside Hong Kong	**–**	16
Deferred tax	**(2,168)**	1,623
Income tax (credit)/expense	**(2,144)**	1,639

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025: 16.5%) to the six months ended 30 June 2026. 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$140,314,000 (six months ended 30 June 2025: HK$92,801,000) and the weighted average of 950,588,000 ordinary shares (six months ended 30 June 2025: 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 2026, additions to right-of-use assets were HK$2,519,000 (six months ended 30 June 2025: HK$868,000). This amount included the additions of a leasehold property of HK$1,102,000 (six months ended 30 June 2025: HK$868,000) and the remainder of HK$1,417,000 (six months ended 30 June 2025: HK$Nil) 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 2026, the Group acquired items of investment properties and other property, plant and equipment with an aggregate cost of HK$1,102,000 and HK$12,012,000 (six months ended 30 June 2025: HK$868,000 and HK$14,480,000) respectively.

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$2,016,000 and HK$1,111,000 respectively were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: HK$Nil and HK$Nil), resulting in a loss on disposal of HK$560,000 (six months ended 30 June 2025: HK$Nil)

(d) Valuation

The valuation of investment properties carried at fair value was updated at 30 June 2026 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2025 valuations.

As a result of the update, a deficit of HK$92,042,000 (six months ended 30 June 2025: a deficit of HK$61,324,000) 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:

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
Carrying amount of inventories sold	**62,241**	70,984
Write-down of inventories	**–**	1,937
	62,241	72,921

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 2026	At 31 December 2025
	HK$'000	*HK$'000*
Within 1 month	**14,659**	34,454
Over 1 month but within 3 months	**13,926**	31,922
Over 3 months but within 12 months	**2,101**	345
Over 12 months	**89**	6,598
Total trade debtors, net of loss allowance	**30,775**	73,319
Amounts due from related companies	**2,100**	2,100
Other debtors and prepayments	**36,495**	33,077
	69,370	108,496

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 2026	At 31 December 2025
	HK$'000	*HK$'000*
Within 1 month	**19,661**	11,372
Over 1 month but within 3 months	**4,273**	8,179
Over 3 months but within 6 months	**2,639**	1,195
Over 6 months	**–**	783
Total trade creditors	**26,573**	21,529
Creditors and accrued charges	**58,283**	59,613
Contract liabilities	**231**	696
Rental deposits	**13,177**	11,387
Amount due to a related company	**138**	138
Amount due to an associate	**–**	2,299
	98,402	95,662

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 2026 (2025: HK$Nil).

(b) Share capital

	2026		2025	
	Number of shares		Number of shares	
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.10 each	**1,000,000**	**100,000**	1,000,000	100,000
Ordinary shares, issued and fully paid				
At 1 January and 30 June	**950,588**	**95,059**	950,588	95,059

(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 2026 (2025: HK$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the period under review, the Group recorded a consolidated revenue of approximately HK$131.50 million, which decreased by approximately 2.00% as compared to approximately HK$134.18 million reported for the corresponding period last year. The loss attributable to equity shareholders amounted to approximately HK$140.31 million (six months ended 30 June 2025: approximately HK$92.80 million). The increase in loss by approximately HK$47.51 million was mainly attributable to an increase in deficit on revaluation of its investment properties by approximately HK$30.72 million to HK$92.04 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK$61.32 million) and the impact of approximately HK$19.87 million from foreign exchange fluctuations to a loss of HK$0.53 million for the six months ended 30 June 2026 (six months ended 30 June 2025: a gain of approximately HK$19.34 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 Chinese Mainland and mostly sold to the United States, Europe and Chinese Mainland.

During the first half year of 2026, the revenue was approximately HK$109.10 million, slightly decrease by approximately 0.59% 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 also plays a significant role. 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$22.40 million, representing a decrease of approximately 8.31% as compared to the corresponding period last year. The rental income represented approximately 17.03% of the Group's revenue during the period (six months ended 30 June 2025: approximately 18.21%).

Besides, the Group recorded valuation deficit of its investment properties of approximately HK$92.04 million (six months ended 30 June 2025: approximately HK$61.32 million). The occupancy rate of its major investment properties, Kader Building, was approximately 65% (30 June 2025: approximately 63%).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2026, the Group's net asset value per share was approximately HK$1.68 (31 December 2025: approximately HK$1.83). The Group had net current liabilities of approximately HK$426.83 million (31 December 2025: approximately HK$386.02 million). Total bank borrowings were approximately HK$724.17 million (31 December 2025: approximately HK$719.77 million) while the secured total banking facilities were approximately HK$799.52 million (31 December 2025: approximately HK$858.80 million). Included in total bank borrowings were revolving loans of approximately HK$658.86 million (31 December 2025: approximately HK$655.23 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 45.26% (31 December 2025: approximately 41.27%). 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 2026, investment properties and certain leasehold land and buildings of the Group with a net book value of approximately HK$1,654.53 million (31 December 2025: approximately HK$1,739.83 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 six months ended 30 June 2026.

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 one customer with whom transactions have exceeded 10% of the Group's revenue. The sales to that customer represented approximately 10.24% 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 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 2026, the Group employed 594 (30 June 2025: 627) full time management, administrative and production staff in 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 six months ended 30 June 2026 amounted to approximately HK$70.38 million (six months ended 30 June 2025: approximately HK$72.17 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 forward, the global economic environment remains highly uncertain, shaped by renewed geopolitical tensions and persistent inflationary pressures. These uncertainties will continuously have a significant impact on the business and overall performance of the Group. In response to the challenging and unpredictable global economy, a prudent and flexible approach will be maintained and adopted. The Group will put effort into diversifying its business, pursuing sales opportunities, optimising operation efficiency and enhancing cost control measures in order to mitigate the external impacts and sustain its long-term growth. The Group is also continuously taking all necessary measures to fulfil the requirements for revitalization of Kader Building in order to enhance its value and the rental income in the near future.

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 (including sale of treasury shares, if any) 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 2026. 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 2026.

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 2026

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.