



KADER

Manufacturing Trust

KADER HOLDINGS COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

INTERIM REPORT 2026

(Stock Code : 180)

Interim Results For the Six Months Ended 30 June 2026

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	5 & 6	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	7(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	10(d)	(92,042)	(61,324)
Loss before taxation	7	(142,781)	(91,153)
Income tax credit/(expenses)	8	2,144	(1,639)
Loss for the period		(140,637)	(92,792)
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	9		
Basic		(14.76¢)	(9.76¢)
Diluted		(14.76¢)	(9.76¢)

The notes on pages 7 to 22 form part of this interim financial report.

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	<u>(3,474)</u>	<u>11,410</u>
Total comprehensive income for the period	<u>(144,111)</u>	<u>(81,382)</u>
Attributable to:		
Equity shareholders of the Company	(144,001)	(81,726)
Non-controlling interests	<u>(110)</u>	<u>344</u>
Total comprehensive income for the period	<u>(144,111)</u>	<u>(81,382)</u>

The notes on pages 7 to 22 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 – unaudited

		At 30 June 2026 <i>HK\$'000</i>	At 31 December 2025 <i>HK\$'000</i>
	<i>Note</i>		
Non-current assets			
Investment properties	10	1,719,841	1,810,943
Other property, plant and equipment	10	207,306	215,823
		1,927,147	2,026,766
Intangible assets		234	250
Interest in associates		21,578	26,966
Other financial assets	16(a)	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	16(a)	2,337	2,927
Inventories	11	269,985	256,955
Current tax recoverable		–	13
Trade and other receivables	12	69,370	108,496
Cash and cash equivalents	13	57,641	64,851
		399,333	433,242
Current liabilities			
Trade and other payables and contract liabilities	14	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

	At 30 June 2026 <i>HK\$'000</i>	At 31 December 2025 <i>HK\$'000</i>
<i>Note</i>		
Total assets less current liabilities brought forward	1,652,356	1,790,964
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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	95,059	95,059
Reserves	1,499,106	1,643,107
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Total equity attributable to equity shareholders of the Company	1,594,165	1,738,166
Non-controlling interests	5,688	5,798
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TOTAL EQUITY	1,599,853	1,743,964
	=====	=====

The notes on pages 7 to 22 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 – unaudited

	Attributable to equity shareholders of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserve	Contributed surplus	Exchange reserve	Land and buildings revaluation reserve	Retained profits	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2025	95,059	185,138	10,815	173,397	(21,970)	82,055	1,395,621	1,920,115	4,995	1,925,110	
Changes in equity for the six months ended 30 June 2025:											
Total comprehensive income for the period	—	—	—	—	11,075	—	(92,801)	(81,726)	344	(81,382)	
Balances at 30 June 2025 and 1 July 2025	95,059	185,138	10,815	173,397	(10,895)	82,055	1,302,820	1,838,389	5,339	1,843,728	
Changes in equity for the six months ended 31 December 2025:											
Total comprehensive income for the period	—	—	—	—	(3,431)	—	(96,792)	(100,223)	459	(99,764)	
Balances at 31 December 2025 and 1 January 2026	95,059	185,138	10,815	173,397	(14,326)	82,055	1,206,028	1,738,166	5,798	1,743,964	
Changes in equity for the six months ended 30 June 2026:											
Total comprehensive income for the period	—	—	—	—	(3,687)	—	(140,314)	(144,001)	(110)	(144,111)	
Balance at 30 June 2026	95,059	185,138	10,815	173,397	(18,013)	82,055	1,065,714	1,594,165	5,688	1,599,853	

The notes on pages 7 to 22 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2026 – unaudited

		Six months ended 30 June	
		2026	2025
	Note	HK\$'000	HK\$'000
Operating activities			
Cash generated from operations		10,657	20,779
Tax paid		(26)	–
Tax refunded		13	11
		<u>10,644</u>	<u>20,790</u>
Net cash generated from operating activities		<u>10,644</u>	<u>20,790</u>
Investing activities			
Payment for the purchase of other property, plant and equipment		(10,595)	(14,479)
Proceeds from sale of other property, plant and equipment		551	–
Payment for additions of investment properties		(88)	(449)
Payment for purchase of other financial assets		–	(4,463)
Proceeds from sale of trading securities		–	1,275
(Increase)/decrease in non-current deposits and prepayments		(7,732)	4,946
Increase in amounts due from associates		(12)	(13)
Loans advanced to an associate		(1,560)	(1,599)
Interest received		30	70
Dividend income received		37	58
		<u>(19,369)</u>	<u>(14,654)</u>
Net cash used in investing activities		<u>(19,369)</u>	<u>(14,654)</u>
Financing activities			
Capital element of lease rentals paid		(4,497)	(4,024)
Interest element of lease rentals paid		(202)	(334)
Proceeds from new bank loans		396,432	387,000
Repayment of bank loans		(391,880)	(360,298)
Proceeds from loan from a director		10,000	–
Bank borrowing costs paid		(14,766)	(16,374)
		<u>(4,913)</u>	<u>5,970</u>
Net cash (used in)/generated from financing activities		<u>(4,913)</u>	<u>5,970</u>
Net (decrease)/increase in cash and cash equivalents		<u>(13,638)</u>	<u>12,106</u>
Cash and cash equivalents at 1 January	13	64,851	48,934
Effect of foreign exchanges rates changes		<u>6,428</u>	<u>1,601</u>
Cash and cash equivalents at 30 June	13	<u>57,641</u>	<u>62,641</u>

The notes on pages 7 to 22 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. Reporting entity

Kader Holdings Company Limited is a company domiciled in Bermuda. The interim financial report of the Company as at and for the six months ended 30 June 2026 comprises the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

The financial report of the Group as at and for the year ended 31 December 2025 are available upon request from the Company’s principal office at 11/F, 22 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong or at <http://www.kaderholdings.com>.

2. Basis of preparation

The interim financial report for the six months ended 30 June 2026 comprises the Group and the Group’s interest in associates.

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 report 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 the 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 report contains 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

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.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

3. **Changes in accounting policies** *(Continued)*

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. **Estimates**

The preparation of interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

5. **Revenue and segment reporting**

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

Toys and model trains: The manufacture and sale of plastic, electronic and stuffed toys and model trains. These products are manufactured in the Group's manufacturing facilities located in Mainland China.

Property investment: The leasing of office premises and industrial building to generate rental income and to gain from the appreciation in the properties' value in the long term.

Investment holding: The investment in securities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. 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
	<u>131,501</u>	<u>134,184</u>

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 TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. 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	At	At	At	At	At	At	At
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2026	2025	2026	2025	2026	2025	2026	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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. 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 TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

5. 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)
	<u>2,390,856</u>	<u>2,509,319</u>
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
	<u>2,478,515</u>	<u>2,610,225</u>
Liabilities		
Reportable segment liabilities	1,087,055	1,073,681
Elimination of inter-segment payables	(245,987)	(249,264)
	<u>841,068</u>	<u>824,417</u>
Amount due to an associate	—	2,299
Current tax payable	20,781	19,889
Deferred tax liabilities	16,813	19,656
	<u>878,662</u>	<u>866,261</u>

6. Seasonality of operations

The Group's toys and model trains division, a separate business segment (see note 5), 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 TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

7. 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
	<u>14,968</u>	<u>16,708</u>
(b) Other items		
Cost of inventories (note 11)	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 10(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)
	<u></u>	<u></u>
(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
	<u></u>	<u></u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

8. Income tax (credit)/expense

	Six months ended 30 June	
	2026 HK\$'000	2025 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.

9. 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT *(Continued)*

10. 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.

(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: loss 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

11. 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 HK\$'000	2025 HK\$'000
Carrying amount of inventories sold	62,241	70,984
Write-down of inventories	—	1,937
	<u>62,241</u>	<u>72,921</u>

12. 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 HK\$'000	At 31 December 2025 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
	<u>30,775</u>	<u>73,319</u>
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
	<u>69,370</u>	<u>108,496</u>

Credit evaluations are performed on all customers requiring credit over a certain amount. Most of the trade debtors are due within ninety days from the date of billing.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

13. Cash and cash equivalents

	At 30 June 2026 HK\$'000	At 31 December 2025 HK\$'000
Deposits with other financial institution	668	656
Cash at bank and on hand	56,973	64,195
Cash and cash equivalents in the condensed consolidated cash flow statement	57,641	64,851

14. 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 HK\$'000	At 31 December 2025 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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

15. 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 '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 1 January and 30 June	<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.

16. Fair value measurement of financial instruments

(a) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

16. Fair value measurement of financial instruments (Continued)

(a) Financial assets measured at fair value (Continued)

Fair value hierarchy (Continued)

	Fair value as at 30 June 2026	Fair value measurements as at 30 June 2026 categorised into		
	HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements				
Other financial assets:				
– Investment funds	30,472	–	30,472	–
– Investment in unlisted companies	13,304	–	–	13,304
– Unlisted convertible notes	13,898	–	–	13,898
	57,674	–	30,472	27,202
Trading securities:				
– Investment in listed companies	2,337	2,337	–	–
	60,011	2,337	30,472	27,202
	Fair value as at 31 December 2025	Fair value measurements as at 31 December 2025 categorised into		
	HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements				
Other financial assets:				
– Investment funds	30,485	–	30,485	–
– Investment in unlisted companies	13,037	–	–	13,037
– Unlisted convertible notes	13,898	–	–	13,898
	57,420	–	30,485	26,935
Trading securities:				
– Investment in listed companies	2,927	2,927	–	–
	60,347	2,927	30,485	26,935

During the six months ended 30 June 2026, there were no transfers between Level 1 and Level 2, nor transfers into or out of Level 3 (2025: HK\$Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

16. Fair value measurement of financial instruments (Continued)

(a) Financial assets measured at fair value (Continued)

Information about Level 2 fair value measurements

The fair value is based on price quoted by financial institutions.

Information about Level 3 fair value measurements

The Group's Level 3 financial instruments represent unlisted equity and debt securities which their fair values are based on unobservable inputs. The directors perform the valuation on Level 3 financial instruments for financial reporting purposes. Their fair values have been determined with reference to the pricing of the recent transactions.

The movement during the period in the balance of these Level 3 fair value measurements is as follows:

	Investment in unlisted companies <i>HK\$'000</i>	Unlisted convertible notes <i>HK\$'000</i>
Balance as at 1 January 2026	13,037	13,898
Net unrealised gain recognised in profit or loss during the period	325	–
Exchange adjustment	(58)	–
Balance as at 30 June 2026	<u>13,304</u>	<u>13,898</u>

(b) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2025 and 30 June 2026.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (Continued)

17. Commitments

Capital commitments outstanding at 30 June 2026 not provided for in the interim financial report

	At 30 June 2026 <i>HK\$'000</i>	At 31 December 2025 <i>HK\$'000</i>
Contracted for the purchase of property, plant and equipment	16,208	16,216

18. Contingent liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities.

19. Material related party transactions

- (a) During the six months ended 30 June 2026, the Group earned interest income from loans to an associate, RedwoodVentures Limited, amounted to HK\$Nil (2025: HK\$1,516,000).
- (b) As at 30 June 2026, the Group had a loan from a director amounting to HK\$10,000,000 (31 December 2025: HK\$Nil). The loan is interest-bearing at 4.5% per annum, unsecured and shall be repaid on 31 December 2027.

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 \$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.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in the Shares and Underlying Shares of the Company and the Associated Corporations

As at 30 June 2026, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(1) Interests in the Company

Name of directors	Number of ordinary shares of HK\$0.10 each				% of total issued share capital
	Personal interests	Family interests	Corporate interests	Total interests	
Mr. Kenneth Ting Woo-shou	289,639,941	2,075,183 ⁽ⁱ⁾	258,963,571 ⁽ⁱⁱ⁾	550,678,695	57.93%
Mrs. Nancy Ting Wang Wan-sun	2,075,183	—	—	2,075,183	0.22%
Mr. Ivan Ting Tien-li	21,530,432	—	—	21,530,432	2.26%
Mr. Lao Wai-keung	—	—	—	—	—
Mr. Bernie Ting Wai-cheung	—	—	—	—	—
Mr. Andrew Yao Cho-fai	—	—	—	—	—
Mr. Desmond Chum Kwan-yue	—	—	—	—	—
Ms. Sabrina Chao Sih-ming	—	—	—	—	—
Mr. Daryl Liu Zhen-rong	1,200,000	—	—	1,200,000	0.13%

Notes:

- (i) The spouse of Mr. Kenneth Ting Woo-shou is the beneficial shareholder.
- (ii) Included in the "Corporate Interests" above were 209,671,000 shares of the Company held by the Company's substantial shareholder, H.C. Ting's Holdings Limited, in which Mr. Kenneth Ting Woo-shou has a controlling interest through Border Shipping Limited; and 49,292,571 shares of the Company held by Glory Town Limited, in which Mr. Kenneth Ting Woo-shou has a controlling interest through Tyrol Investments Limited.

(2) **Interests in Associated Corporations**

Name of associated corporations	Beneficial interests	Class of shares	Number of shares held			% of interests in associated corporations
			Personal interests	Family interests	Corporate interests	
Allman Holdings Limited ("Allman")	Mr. Ivan Ting Tien-li ("Ivan Ting")	Ordinary shares of US\$1.00 each	920 ⁽ⁱ⁾	–	–	63.89%
Pacific Sky Ventures, Inc. ("PSV")	Mr. Ivan Ting	Ordinary shares of US\$1.00 each	–	–	1,000 ⁽ⁱⁱ⁾	100.00%
Everline Associates, LLC ("Everline")	Mr. Ivan Ting	Not applicable ⁽ⁱⁱⁱ⁾	–	–	–	62.00% ^(iv)
Everline	Mr. Kenneth Ting Woo-shou ("Kenneth Ting")	Not applicable ⁽ⁱⁱⁱ⁾	–	–	–	13.00% ^(vi)
Snow King Properties, LLC ("SKP")	Mr. Ivan Ting	Not applicable ^(iv)	–	–	–	62.00% ^(v)
SKP	Mr. Kenneth Ting	Not applicable ^(iv)	–	–	–	13.00% ^(vi)

Notes:

- (i) These interests are held by Mr. Ivan Ting.
- (ii) These interests are held by Allman. Mr. Ivan Ting's beneficial interests in Allman are disclosed in note (i) above.
- (iii) Everline does not have issued share capital, the percentage of interest in Everline represents the interest in capital account balance.
- (iv) SKP does not have issued share capital, the percentage of interest in SKP represents the interest in capital account balance.
- (v) These interests are held by PSV. Mr. Ivan Ting's beneficial interests in PSV are disclosed in note (ii) above.
- (vi) These interests are held by Ting Corporation which is wholly owned by Mr. Kenneth Ting.

All the interests stated above represent long positions. As at 30 June 2026, no short positions were recorded in the register required to be kept under section 352 of the SFO.

Save as disclosed above, as at 30 June 2026, none of the directors and chief executives of the Company nor their spouses or children under 18 years of age has interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Person's Interests

As at 30 June 2026, substantial shareholders and other persons (other than directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which were recorded in the register kept by the Company under section 336 of the SFO were as follows:

Substantial shareholders and other persons	Number of ordinary shares of HK\$0.10 each				% of total issued share capital
	Personal interests	Family interests	Corporate interests	Total interests	
Forest Crimson Limited	–	–	209,671,000 ⁽ⁱ⁾	209,671,000	22.06%
Mr. Ting Hok-shou ^(v)	13,800,238	571,429 ⁽ⁱⁱ⁾	39,098,281 ⁽ⁱⁱⁱ⁾	53,469,948	5.62%
Ms. Emily Tsang Wing-hin	571,429	13,800,238 ⁽ⁱⁱ⁾	39,098,281 ⁽ⁱⁱⁱ⁾	53,469,948	5.62%

Notes:

- (i) 209,671,000 shares of the Company were held by the Company's substantial shareholder, H.C. Ting's Holdings Limited, in which Forest Crimson Limited has a controlling interest through Border Shipping Limited.
- (ii) The spouse of the late Mr. Ting Hok-shou, Ms. Emily Tsang Wing-hin, is the beneficial shareholder.
- (iii) Included in the "Corporate Interests" above were 3,913,997 shares of the Company held by Golden Tree Investment Company Limited, in which the late Mr. Ting Hok-shou and Ms. Emily Tsang Wing-hin together have controlling interest; and 35,184,284 shares of the Company held by Kimpont Limited, in which the late Mr. Ting Hok-shou and Ms. Emily Tsang Wing-hin together have controlling interest through Golden Tree Investment Company Limited and Yale Investment Corporation.
- (iv) The late spouse of Ms. Emily Tsang Wing-hin is the beneficial shareholder.
- (v) Mr. Ting Hok-shou passed away on 8 September 2025. As at 30 June 2026, the executor or administrator has not been appointed in relation to the estate of the late Mr. Ting Hok-shou.

Save as disclosed above, as at 30 June 2026, the Company was not notified by any persons (other than directors or chief executives of the Company) who had interests or short positions in the shares, underlying shares and debentures of the Company which were recorded in the register kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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.