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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Kader Holdings Company Limited, you should at once hand this circular to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**KADER HOLDINGS COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 180)

**REPEAL OF THE PRIVATE ACT,  
PROPOSED AMENDMENT TO THE BYE-LAWS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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A notice convening the Special General Meeting of Kader Holdings Company Limited to be held at 12th Floor, 22 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong on 9th October 2007 at 10:30 a.m., is set out on page 7 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of Kader Holdings Company Limited at 22 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof should you so desire.

14th September 2007

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Kader Holdings Company Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Companies Act”	Bermuda Companies Act 1981, as amended from time to time
“Directors”	directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	12th September 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Private Act”	private act, The Kader Holdings Company Limited Company Act, 1990
“SGM”	a special general meeting of the Company to be convened to approve, if thought fit, the Special Resolution, the notice of which is set out on page 7 of this circular
“Shares”	shares of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of the Shares
“Special Resolution”	the special resolution to be proposed at the SGM to approve, if thought fit, the amendment to the Bye-laws
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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**KADER HOLDINGS COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 180)

**Directors:**

*Executive Directors:*

Kenneth Ting Woo-shou *SBS, JP (Managing Director)*

Ivan Ting Tien-li

*Non-executive Directors:*

Dr. Dennis Ting Hok-shou *OBE, JP (Chairman)*

Moses Cheng Mo-chi *GBS, OBE, JP*

*Independent Non-executive Directors:*

Liu Chee-ming

Floyd Chan Tsoi-yin

Andrew Yao Cho-fai

**Registered Office:**

Canon's Court  
22 Victoria Street  
Hamilton, HM12  
Bermuda

**Principal Place of Business  
in Hong Kong:**

22 Kai Cheung Road  
Kowloon Bay  
Kowloon  
Hong Kong

14th September 2007

*To the Shareholders,*

Dear Sir or Madam,

**REPEAL OF THE PRIVATE ACT,  
PROPOSED AMENDMENT TO THE BYE-LAWS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

On 3rd September 2007, the Company announced that (i) the Private Act has been repealed; and (ii) the Board proposed amendment to the Bye-laws.

The purpose of this circular is to provide you with information regarding the repeal of the Private Act and the resolution to be proposed at the SGM relating to the proposed amendment to the Bye-laws.

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## LETTER FROM THE BOARD

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### REPEAL OF THE PRIVATE ACT

The Company was incorporated by registration in Hamilton, Bermuda on 18th September 1989 and, following its incorporation, was listed on the Stock Exchange.

The Private Act of the Company was enacted to allow for certain arrangements which were not standard to the Companies Act at the time of the Company's incorporation. Such arrangements were necessary in order to facilitate the Company's proposed listing on the Stock Exchange in Hong Kong shortly after its incorporation. In this regard, the Directors presented a petition to the Legislature in Bermuda requesting the enactment of the Private Act which contains certain provisions in relation to the Company and an exemption for the Company from and variations in relation to the Company of certain requirements of the Companies Act.

Such arrangements included, amongst other things:

- (i) the adoption by the Company of one or more common seals for use in any territory outside Bermuda;
- (ii) the adoption of bye-laws which provided that a member of the Company may designate a person who is not a member of the Company to be his proxy and to represent such member and vote on his behalf at any general meeting of the Company or meeting of the holders of any class of shares in the capital of the Company; and
- (iii) the ability of the Company to discontinue out of Bermuda and into another jurisdiction.

As many of the provisions of the Private Act are now embodied in the Companies Act, the Directors consider that it is now more appropriate for the Company to be governed by the Companies Act instead of the Private Act.

Pursuant to the recent amendments made to the provisions in the Listing Rules relating to corporate governance, in particular the requirement for compulsory retirement of directors which requires amendments to be made to the Private Act, the Directors further consider that there is no longer any need for the Private Act to continue in force and effect.

In the light of the foregoing and to ensure strict compliance with the current or future (if any) provisions of the Listing Rules relating to corporate governance, the Directors consider it necessary for the Company to repeal the Private Act to simplify the procedures for amendments to the Bye-laws of the Company. Accordingly, the Company has petitioned the Legislature of Bermuda to have the Private Act repealed.

The Company has sought legal advice from its Bermuda counsels in relation to the repeal of the Private Act and they confirmed that no shareholders' approval is needed to approve the revocation of the Private Act as there is no specific requirement in the Companies Act for the same to be obtained. The Bermuda counsels further confirmed that the repeal of the Private Act is in compliance with the requirements and provisions under the Companies Act.

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## **LETTER FROM THE BOARD**

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The repeal of the Private Act of the Company has been granted and assented to by the House of Assembly of Bermuda on 25th June 2007.

### **PROPOSED AMENDMENT TO THE BYE-LAWS**

The Directors propose to amend the Bye-laws of the Company, to ensure compliance with the provisions in the Listing Rules relating to corporate governance, in particular the requirement for compulsory retirement of directors as stated in provision A4.2 of the Code on Corporate Governance Practices under the Listing Rules.

The proposed amendment made to the Bye-laws will be in line with the principle that every director including those appointed for a specific terms, will be subject to retirement by rotation at least once every three years. The proposed amendment to the Bye-laws is subject to the approval of the Shareholders by way of special resolution at the Special General Meeting.

The Company has sought legal advice from its legal advisers in Hong Kong regarding the proposed amendment to the Bye-laws. The legal advisers confirmed that such proposed amendment is in compliance with the requirements and provisions under the Listing Rules.

The Directors consider that the repeal of the Private Act and the proposed amendment to the Bye-laws are each in the best interests of the Company and the Shareholders as a whole.

### **SGM**

Notice of the SGM to be held at 12th Floor, 22 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong on 9th October 2007 at 10:30 a.m. is set out on page 7 of this circular. The SGM will be held for the purpose of considering and, if thought fit, approving the amendment to the Bye-laws.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company at 22 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the SGM or any adjournment thereof should they so desire.

### **RIGHT TO DEMAND POLL**

Bye-law 78 of the Bye-laws of the Company sets out the procedure by which a poll may be demanded at the general meetings of the Company which is as follows:

At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

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## LETTER FROM THE BOARD

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- (i) by the chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised corporate representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised corporate representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised corporate representative) or by proxy and holding shares in the Company conferred a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

### RECOMMENDATION

The Directors consider that the proposed special resolution for the amendment to the Bye-laws is in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of all the special resolution to be proposed at the SGM.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,  
For and on behalf of the Board  
**KADER HOLDINGS COMPANY LIMITED**  
**Kenneth Ting Woo-shou**  
*Managing Director*

*Details of the proposed amendment to the Bye-laws are set out as follows:-*

**BYE-LAW 189**

Bye-law 189(ix) be amended by deleting it in its entirety and replacing it with the following new Bye-law 189(ix):-

“Bye-law 109(A) shall read as follows:-

(A) At each annual general meeting of the Company, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting. The retiring Directors shall be eligible for re-election.”



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## NOTICE OF THE SGM

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# KADER HOLDINGS COMPANY LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 180)

**NOTICE IS HEREBY GIVEN** that the Special General Meeting (“Meeting”) of Kader Holdings Company Limited (“Company”) will be held at 12th Floor, 22 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong on 9th October 2007 at 10:30 a.m. for the purpose of considering and, if thought fit, passing (without modifications) the following resolution of the Company:–

### SPECIAL RESOLUTION

“**THAT** the Bye-law 189(ix) be amended by deleting it in its entirety and replacing it with the following new Bye-law 189(ix):–

“Bye-law 109(A) shall read as follows:–

(A) At each annual general meeting of the Company, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting. The retiring Directors shall be eligible for re-election.”

By Order of the Board  
**Kenneth Ting Woo-shou**  
*Managing Director*

Hong Kong, 14th September 2007

*Notes:*

1. A member entitled to attend and vote at the meeting convened by this Notice is entitled to appoint one or more proxies to attend and, on a poll, to vote in his place. A proxy need not be a member of the Company.
2. A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon.
3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the principal place of business of the Company at 22 Kai Cheung Road, Kowloon Bay, Kowloon, Hong Kong, not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.
4. Where there are joint holders of any Share, any one of such joint holders may vote at the Meeting either personally or by proxy in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such Share.