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## **KADER HOLDINGS COMPANY LIMITED**

**開達集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 180)**

- (1) PROPOSED RIGHTS ISSUE OF RIGHTS SHARES AT  
THE SUBSCRIPTION PRICE  
OF HK\$0.380 EACH ON THE BASIS OF  
THREE RIGHTS SHARES FOR EVERY SEVEN EXISTING SHARES  
HELD ON THE RECORD DATE  
(2) BOOK CLOSURE PERIOD  
(3) RECORD DATE  
AND  
(4) CONNECTED TRANSACTION**

**Financial Advisor and Sole Underwriter**



**PLATINUM**  
Securities

## **PROPOSED RIGHTS ISSUE**

The Company proposes to raise approximately HK\$108.4 million before expenses by way of the Rights Issue. The Rights Issue involves the issue of 285,176,397 Rights Shares at the subscription price of HK\$0.380 per Rights Share on the basis of three Rights Shares for every seven Existing Shares held on the Record Date. Rights Shares will not be extended to the Excluded Shareholders. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The net proceeds from the Rights Issue after deducting the expenses, which will be borne by the Company, are estimated to be approximately HK\$103.7 million. The net proceeds of the Rights Issue will be applied by the Group for certain purposes including (1) approximately 25% for the repayment of bank borrowings; (2) approximately 5% for the upgrade of the facilities; (3) approximately 10% for investment in future opportunities; and (4) approximately 60% for general working capital purposes.

Pursuant to the Irrevocable Undertaking by Mr. Ting, Mr. Ting has, among other things, irrevocably and unconditionally undertaken to the Company and the Sole Underwriter that (i) the 133,279,385 Shares currently owned by him will remain owned by him at the close of business on the Record Date, and (ii) he will subscribe or procure the subscription of 57,119,736 Rights Shares, representing his assured entitlement to the new Shares under the Rights Issue, and (iii) he will apply, or procure the application, by way of excess application under the Rights Issue, for 72,473,827 Rights Shares in excess of those which will be provisionally allotted to him under the assured entitlement. The aforesaid number of Rights Shares to be applied by Mr. Ting is determined based on commercial negotiation among the Company, Mr. Ting and the Sole Underwriter.

Pursuant to the Irrevocable Undertakings of Mrs. Nancy Ting Wang Wan-sun, H.C. Ting's Holdings Limited and Glory Town Limited, each of them has, among other things, irrevocably and unconditionally undertaken to the Company and the Sole Underwriter that (i) the 1,452,629, 209,671,000 and 34,504,800 Shares currently owned by them respectively will remain registered in their respective name at the close of business on the Record Date and (ii) each of them will subscribe or procure the subscription of the 622,554, 89,859,000 and 14,787,771 Rights Shares respectively, representing their respective assured entitlement to the new Shares under the Rights Issue but will not apply for any excess Rights Shares in their capacity as Qualifying Shareholders.

## **CONDITIONS OF THE RIGHTS ISSUE**

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The obligations of the Sole Underwriter under the Underwriting Agreement are conditional upon the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue” of this announcement.

If the conditions of the Rights Issue are not fulfilled (and/or waived, if permitted by the terms of the Underwriting Agreement, in whole or in part by the Sole Underwriter) at or before 6:00 p.m. on Wednesday, 22 January 2014 (or such later time and/or date as the Company and the Sole Underwriter may agree), the Underwriting Agreement shall terminate and, the Rights Issue will not proceed.

## **UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE**

The Sole Underwriter has conditionally agreed to fully underwrite 50,313,509 Rights Shares, being the number of Rights Shares less (a) 162,389,061 Rights Shares, representing the full entitlement of Mr. Ting and Mr. Ting’s Associates to the new Shares under the Rights Issue, and (b) 72,473,827 Rights Shares to be applied by Mr. Ting as excess application under the Rights Issue.

## **WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES**

The Shares will be dealt in on an ex-rights basis from Thursday, 19 December 2013. Dealings in the Rights Shares in nil-paid form will take place from Thursday, 9 January 2014 to Thursday, 16 January 2014 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived at or before 6:00 p.m. on Wednesday, 22 January 2014 (or such later time and/or date as the Company and the Sole Underwriter may determine in writing), or the Underwriting Agreement is terminated by the Sole Underwriter, the Rights Issue will not proceed and the Rights Issue will lapse.

Any person contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as the case may be), and any dealings in the Rights Shares in their nil-paid form between Thursday, 9 January 2014 to Thursday, 16 January 2014 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholder or other person contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

## **CONNECTED TRANSACTION**

As at the date of this announcement, Mr. Liu Chee-ming is a non-executive Director and is also a controlling shareholder of the Financial Advisor and Sole Underwriter. Therefore, the Financial Advisor and Sole Underwriter is connected person of the Company. The payment of the underwriting commission and the financial advisory fee by the Company to the Financial Advisor and Sole Underwriter constitutes a connected transaction for the Company under the Listing Rules. As one or more of the applicable percentage ratios for the total amount of underwriting commission and the financial advisory fee on an aggregated basis payable by the Company exceeds 0.1% but is less than 5%, the same is subject to reporting and announcement requirements but exempt from independent Shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 23 December 2013 to Monday, 6 January 2014, both dates inclusive. No transfers of Shares will be registered during this period.

## **GENERAL**

The Company will despatch the Rights Issue Documents to each of the Qualifying Shareholders and, for information purposes only, to the extent reasonably practicable and legally permitted, the Prospectus to each of the Excluded Shareholders (if any) on or about Tuesday, 7 January 2014.

## **PROPOSED RIGHTS ISSUE**

### **Issue statistics**

Basis of the Rights Issue:	Three Rights Shares for every seven Existing Shares held on the Record Date
Number of Shares in issue as at the date of this announcement:	665,411,594 Shares
Number of Rights Shares:	285,176,397 Rights Shares
Subscription Price:	HK\$0.380 per Rights Share

Enlarged issued share capital of HK\$95,058,799 comprising 950,587,991 Shares the Company upon completion of the Rights Issue (assuming no Shares (other than the Rights Shares) are allotted and issued before the completion of the Rights Issue):

Financial Advisor and Sole Underwriter: Platinum Securities Company Limited

The 285,176,397 Rights Shares proposed to be issued pursuant to the Rights Issue represent approximately 42.86% of the existing issued share capital of the Company and approximately 30.00% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue (assuming no Shares (other than the Rights Shares) are allotted and issued before the completion of the Rights Issue).

As at the date of this announcement, the Company has no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares.

### **Subscription Price**

The Subscription Price of HK\$0.380 per Rights Share is payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue and, where applicable, applies for excess Rights Shares under the Rights Issue or when a transferee receives nil-paid Rights Shares from a renounee of any provisional allotment of the Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 22.45% to the Last Closing Price;
- (ii) a discount of approximately 21.81% to the average of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days ended on the Last Trading Day of approximately HK\$0.486;
- (iii) a discount of approximately 21.97% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten consecutive trading days ended on the Last Trading Day of approximately HK\$0.487;

- (iv) a discount of approximately 16.85% to the theoretical ex-rights price of approximately HK\$0.457 per Share based on the Last Closing Price; and
- (v) a discount of approximately 78.53% to the unaudited consolidated net tangible asset value attributable to equity holders of the Company per Share of approximately **HK\$1.770** (based on the latest published unaudited consolidated net tangible asset value attributable to equity holders of the Company of approximately HK\$1,178 million as at 30 June 2013 and 665,411,594 Shares in issue as at the date of this announcement).

Each Rights Share will have a par value of HK\$0.10.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Sole Underwriter with reference to the recent market prices of the Shares and market conditions. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding in the Company held on the Record Date. After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and the Use of Proceeds" below, the Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above), to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank pari passu with the Shares then in issue on the date of allotment of the Rights Shares in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions, the record dates of which are on or after the date of allotment of the Rights Shares in their fully-paid form.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date so as to qualify for the Rights Issue, any transfer of Shares (together with the relevant share certificate(s)) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Friday, 20 December 2013. It is expected that the last day of dealings in the Shares on a cum-rights basis is Wednesday, 18 December 2013 and the Shares will be dealt with on an ex-rights basis from Thursday, 19 December 2013.

The Company will send the Rights Issue Documents to the Qualifying Shareholders on the Allotment Posting Date. The Company will, to the extent reasonably practicable and legally permitted, send the Prospectus to the Excluded Shareholders (if any) for information purposes only on the same date.

### **Excluded Shareholders**

The Rights Issue Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Company is currently making enquiries as to whether the issue of the Rights Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to such Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Excluded Shareholders. The Company will, only if to the extent reasonably practicable and legally permitted, send the Prospectus to the Excluded Shareholders (if any) for information purposes only.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, to be sold as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The net proceeds of such sale, less expenses, of HK\$100 or more will be paid pro rata to the relevant Excluded Shareholders in Hong Kong dollars by ordinary post at their own risk to their registered addresses. The Company will retain individual amounts of less than HK\$100 for its own benefit. Any unsold Rights Shares to which the Excluded Shareholders would otherwise have been entitled will be available for applications for excess Rights Shares.

### **Closure of register of members**

The register of members of the Company will be closed from Monday, 23 December 2013 to Monday, 6 January 2014, both dates inclusive. No transfers of Shares will be registered during this period.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots of the Rights Shares arising from the Rights Issue, the Company will appoint an agent to stand in the market to provide matching services for the odd lots of Rights Shares on a best effort basis. Further details in respect of the odd lots matching arrangement will be set out in the Prospectus.

## **Fractional entitlement to the Rights Shares**

The Company will not provisionally allot and will not accept application for any fraction of nil-paid Rights Shares. All fractions of nil-paid Rights Shares will be aggregated (and rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted to the Sole Underwriter or its nominee, and will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will retain the net proceeds for its own benefit. Any unsold fractions of nil-paid Rights Shares will be aggregated and made available for excess application by the Qualifying Shareholders.

## **Application for excess Rights Shares**

Qualifying Shareholders are entitled to, by way of excess application, apply for (a) any unsold entitlements of the Excluded Shareholders; (b) any unsold Rights Shares created by aggregating fractions of the nil-paid Rights Shares; and (c) any nil-paid Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares. The Board will, upon consultation with the Sole Underwriter, allocate the excess Rights Shares being applied for at its discretion on a fair and equitable basis and on the following principles:

- (1) preference will be given to those applications that will top up odd lots to whole board lots where they appear to the Board that such applications are not made with intention to abuse this mechanism, unless the total number of excess Rights Shares is not sufficient to top up all odd lots into whole board lots; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, any further remaining excess Rights Shares will be allocated to Qualifying Shareholders who have applied for excess Rights Shares based on a pro-rata basis based on the number of the excess Rights Shares applied by them, with board lots allocation to be made on a best effort basis.

In applying principles (1) and (2) above, no reference will be made to the number of Rights Shares comprised in a Shareholder's assured entitlement or to the existing number of ordinary Shares held by the Shareholders. The Board reserves the right and absolute discretion to reject any excess applications which appears to them to be made with intention to abuse the top up odd lots mechanism.



Shareholders with their Shares held by a nominee (or CCASS) should note that the Board will regard the nominee (including CCASS) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to ultimate beneficial owners individually. Shareholders with their Shares held by a nominee (or CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by a nominee (or CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Company's branch share registrar and transfer office in Hong Kong, being Computershare Hong Kong Investor Services Limited, for completion of the relevant registration not later than 4:30 p.m. on Friday, 20 December 2013.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his provisional allotment, he must complete and sign the form of application for excess Rights Shares and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Company's branch share registrar and transfer office in Hong Kong, being Computershare Hong Kong Investor Services Limited, by a time which is currently expected to be 4:00 p.m. on Tuesday, 21 January 2014, or such later time and/or date as may be agreed between the Company and the Sole Underwriter.

### **Irrevocable Undertakings from each of Mr. Ting and Mr. Ting's Associates**

As at the date of this announcement, Mr. Ting is an executive Director, the Chairman, the Managing Director and a controlling shareholder of the Company.

Mr. Ting personally held 133,279,385 Shares and his spouse, Mrs. Nancy Ting Wang Wan-sun, an executive Director, personally held 1,452,629 Shares. He has a controlling interest in H.C. Ting's Holdings Limited, a substantial shareholder of the Company, and Glory Town Limited, which respectively held 209,671,000 and 34,504,800 Shares. Accordingly, Mr. Ting was deemed to have total interests in 378,907,814 Shares representing approximately 56.94% of the existing issued share capital of the Company.

Pursuant to the Irrevocable Undertaking by Mr. Ting, Mr. Ting has, among other things, irrevocably and unconditionally undertaken to the Company and the Sole Underwriter that (i) such 133,279,385 Shares currently owned by him will remain owned by him at the close of business on the Record Date, and (ii) he will subscribe or procure the subscription of the 57,119,736 Rights Shares, representing his assured entitlement to the new Shares under the Rights Issue, and (iii) he will apply, or procure the application, by way of excess application

under the Rights Issue, for 72,473,827 Rights Shares in excess of those which will be provisionally allotted to him under the assured entitlement. The aforesaid number of Rights Shares to be applied by Mr. Ting is determined based on commercial negotiation among the Company, Mr. Ting and the Sole Underwriter.

Pursuant to the Irrevocable Undertakings of Mrs. Nancy Ting Wang Wan-sun, H.C. Ting's Holdings Limited and Glory Town Limited, each of them has, among other things, irrevocably and unconditionally undertaken to the Company and the Sole Underwriter that (i) such 1,452,629, 209,671,000 and 34,504,800 Shares currently owned by them respectively will remain registered in their respective name at the close of business on the Record Date and (ii) each of them will subscribe or procure the subscription of the 622,554, 89,859,000 and 14,787,771 Rights Shares respectively, representing their respective assured entitlement to the new Shares under the Rights Issue but will not apply for any excess Rights Shares in their capacity as Qualifying Shareholders.

Save for Mr. Ting and H.C. Ting's Holdings Limited, the Board has not received any information from any substantial Shareholders of their intention to take up the Rights Shares provisionally allotted to them.

In addition, each of Mr. Ting, Mrs. Nancy Ting Wang Wan-sun, H.C. Ting's Holdings Limited and Glory Town Limited has undertaken to the Company and the Sole Underwriter that, except for (A) the Rights Shares to be allotted and issued pursuant to the Rights Issue and (B) any Shares or other securities or rights issued or granted under existing share schemes or pursuant to the exercise of existing rights of subscription or conversion, if any, without the prior written consent of the Sole Underwriter, at any time during the Lock-up Period, each of Mr. Ting, Mrs. Nancy Ting Wang Wan-sun, H.C. Ting's Holdings Limited and Glory Town Limited will not:-

- (i) offer, accept subscription for, sell, pledge, mortgage, charge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, make any share sale, lend or otherwise transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any Shares or any securities of the Company or any interest therein (including but not limited to any securities convertible into or exercisable or exchangeable for or that represent the right to receive any such share capital or securities or interest therein);
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or securities or interest therein;
- (iii) enter into any transaction with the same economic effect as in (i) or (ii) above; or

- (iv) agree or contract to, or publicly announce any intention to enter into, any transaction as in (i), (ii) or (iii) above,

whether any of the foregoing transactions described in (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities, in cash or otherwise.

### **Application for listing**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both nil-paid and fully-paid forms. The nil-paid Rights Shares will have the same board lot size as the Shares, i.e. 2,000 Shares in one board lot.

Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other application fees and charges in Hong Kong.

### **Share certificates and refund cheques for the Rights Issue**

Subject to the fulfillment or waiver of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto on or before Wednesday, 29 January 2014 by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 29 January 2014 by ordinary post to the applicants at their own risk.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The obligations of the Sole Underwriter under the Underwriting Agreement are conditional upon, among other things:

- (i) the Rights Shares being duly issued and provisionally allotted by the authorized representatives of the Board on the terms set out in the Rights Issue Documents to the Qualifying Shareholders;
- (ii) the Sole Underwriter receiving from the Company all conditions precedent documents as set out in the Underwriting Agreement in accordance with the times specified therein;
- (iii) the delivery to the Stock Exchange for authorization and the registration with the Registrar of Companies in Hong Kong of the Rights Issue Documents complying with the requirements of the Companies Ordinance and the Listing Rules on or before the date of despatch of the Rights Issue Documents;

- (iv) the grant of the approval for the listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms (either unconditional or subject only to allotment and despatch of the share certificates in respect thereof) by the Stock Exchange (and such listing and permission not subsequently being withdrawn or revoked);
- (v) the posting of the Rights Issue Documents to the Qualifying Shareholders on or before the date of despatch of the Rights Issue Documents and the posting, to the extent reasonably practicable and legally permitted, of the Prospectus for information purposes only to the Excluded Shareholder;
- (vi) the obligations of the Sole Underwriter under the Underwriting Agreement not being terminated by the Sole Underwriter in accordance with the terms thereof;
- (vii) the representations and warranties and other statements in the Underwriting Agreement on the part of the Company being true and accurate and not misleading; and
- (viii) the performance by the Company of all its obligations under the Underwriting Agreement.

If the conditions of the Rights Issue are not fulfilled (and/or waived, if permitted by the terms of the Underwriting Agreement, in whole or in part by the Sole Underwriter) at or before 6:00 p.m. on Wednesday, 22 January 2014 (or such later time and/or date as the Company and the Sole Underwriter may agree), the Underwriting Agreement shall terminate and, the Rights Issue will not proceed.

The Rights Issue is not subject to the approval of the Shareholders.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **UNDERWRITING ARRANGEMENTS FOR THE RIGHTS ISSUE**

### **Underwriting Agreement**

Date:	12 December 2013 (after trading hours)
Issuer:	The Company
Sole Underwriter:	Platinum Securities Company Limited
Number of Underwritten Rights Shares:	50,313,509 Rights Shares
Underwriting commission:	2.5% of the aggregate Subscription Price of the Underwritten Rights Shares

The Sole Underwriter has conditionally agreed to fully underwrite 50,313,509 Rights Shares, representing the total number of Rights Shares less (a) 162,389,061 Rights Shares, being the full entitlement of Mr. Ting and Mr. Ting's Associates to the new Shares under the Rights Issue, and (b) 72,473,827 Rights Shares to be applied by Mr. Ting by way of excess application under the Rights Issue.

### **Termination of the Underwriting Agreement**

The Sole Underwriter reserves the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given by the Sole Underwriter to the Company at any time prior to 6:00 p.m. on Wednesday, 22 January 2014 (or such later time and/or date as the Company and the Sole Underwriter may determine in writing), if in the opinion of the Sole Underwriter:

- (i) if there shall have developed, occurred, happened or come into effect any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company and the other members of the Group, taken as a whole, the effect of which change, development, event or circumstance is,

individually or in the aggregate, in the absolute judgment of the Sole Underwriter, so material and adverse as to make it or likely to make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus or likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or

- (ii) any breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Sole Underwriter, or there has been a breach on the part of the Company of any other provision of the Underwriting Agreement, or any of and the Sole Underwriter has reasonable cause to believe that any such breach has occurred; or
- (iii) there shall have developed, occurred, happened or come into effect any of the following:
  - (i) a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in securities generally on the Stock Exchange
  - (ii) a suspension or material limitation (including, without limitation, any minimum or maximum price limit or range) in or on trading in any securities of the Company listed or quoted on a stock exchange;
  - (iii) a general moratorium on commercial banking activities declared by relevant governmental authorities in Bermuda, Hong Kong or any jurisdictions relevant to any member of the Group (the “**Relevant Jurisdiction(s)**”) or a material disruption in commercial banking or foreign exchange trading or securities settlement or payment or clearance services, procedures or matters in any Relevant Jurisdiction;
  - (iv) any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting any taxation, exchange controls or currency exchange rates in any of the Relevant Jurisdictions;
  - (v) any new laws or any change, or any development involving a prospective change, or any event or circumstance likely to result in a change or a development involving a prospective change, in or affecting existing laws or the interpretation or application of existing laws by any court or other competent governmental authority in any of the Relevant Jurisdictions;
  - (vi) a governmental authority or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any director of any member of the Group;
  - (vii) any director of any member of the Group committing any act of fraud or other indictable offense;
  - (viii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of

infectious disease, declaration of a state of emergency or calamity or crisis, in each case, involving or affecting any of the Relevant Jurisdictions; or (ix) any outbreak or escalation of hostilities, or any change or development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in any financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) in or affecting any of the Relevant Jurisdictions, if the effect of any such event or circumstance, individually or in the aggregate, in the sole and absolute judgment of the Sole Underwriter, (i) is or will or is likely to result in a material adverse effect, or any development likely to involve a prospective material adverse effect, on the earnings, general affairs, management, business, performance, positions, condition (financial or otherwise), prospects, shareholders' equity or results of operations of the Group taken as a whole, or (ii) makes it or is likely to make it impracticable or inadvisable or inexpedient to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated in the Prospectus, or (iii) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up.

Upon the giving of notice of termination, all obligations of the Sole Underwriter hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Sole Underwriter the fees and expenses in connection with the Rights Issue. If the Sole Underwriter exercises such right, the Rights Issue will not proceed.

## **WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES**

The Shares will be dealt in on an ex-rights basis from Thursday, 19 December 2013. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 9 January 2014 to Thursday, 16 January 2014 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived at or before 6:00 p.m. on Wednesday, 22 January 2014 (or such later time and/or date as the Company and the Sole Underwriter may determine in writing), or the Underwriting Agreement is terminated by the Sole Underwriter, the Rights Issue will not proceed and the Rights Issue will lapse.

Any person contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as the case may be), and any dealings in the Rights Shares in their nil-paid form between Thursday, 9 January 2014 to Thursday, 16 January 2014 (both days inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholder or other person contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Rights Issue (assuming all Rights Shares will be taken up by Qualifying Shareholders); and (iii) immediately after completion of the Rights Issue (assuming no Rights Shares will be taken up by Qualifying Shareholders other than (i) Mr. Ting and Mr. Ting's Associates under their assured entitlement and pursuant to the Irrevocable Undertakings and (ii) the Sole Underwriter pursuant to the Underwriting Agreement), will be as follows:

### Assuming no issue of new Shares on or before the Record Date:

Shareholder	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Shares will be taken up by Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares will be taken up by Qualifying Shareholders other than (i) Mr. Ting and Mr. Ting's Associates under their assured entitlement and pursuant to the Irrevocable Undertakings and (ii) the Sole Underwriter pursuant to the Underwriting Agreement)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. Ting and Mr. Ting's Associates	378,907,814 <sup>(Note)</sup>	56.94	541,296,875	56.94	613,770,702	64.57
Sole Underwriter	-	-	-	-	50,313,509	5.29
<b>Sub-total</b>	<b>378,907,814</b>	<b>56.94</b>	<b>541,296,875</b>	<b>56.94</b>	<b>664,084,211</b>	<b>69.86</b>
Other Shareholders	286,503,780	43.06	409,291,116	43.06	286,503,780	30.14
<b>Total</b>	<b>665,411,594</b>	<b>100.00</b>	<b>950,587,991</b>	<b>100.00</b>	<b>950,587,991</b>	<b>100.00</b>



*Note:* Mr. Ting personally holds 133,279,385 Shares and his spouse, Mrs. Nancy Ting Wang Wan-sun, personally holds 1,452,629 Shares. Mr. Ting has a controlling interest in H.C. Ting's Holdings Limited, a substantial shareholder of the Company, and Glory Town Limited, which respectively hold 209,671,000 and 34,504,800 Shares. Accordingly, Mr. Ting is deemed to have total interests in a total of 378,907,814 Shares.

## **EXPECTED TIMETABLE FOR THE RIGHTS ISSUE**

The expected timetable for the Rights Issue is set out below:

Last day of dealings in Shares on a cum-rights basis	Wednesday, 18 December 2013
First day of dealings in Shares on an ex-rights basis	Thursday, 19 December 2013
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Friday, 20 December 2013
Register of members of the Company closes (both days inclusive)	Monday, 23 December 2013 to Monday, 6 January 2014
Record Date	Monday, 6 January 2014
Register of members of the Company re-opens	Tuesday, 7 January 2014
Despatch of the Rights Issue Documents	Tuesday, 7 January 2014
First day of dealings in nil-paid Rights Shares	Thursday, 9 January 2014
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Monday, 13 January 2014
Last day of dealings in nil-paid Rights Shares	Thursday, 16 January 2014

Latest time for acceptance of and payment  
for the Rights Shares and for application  
and payment for excess Rights Shares ..... 4:00 p.m. on Tuesday,  
21 January 2014

Latest time for termination of the  
Underwriting Agreement and for the Rights Issue  
to become unconditional ..... 6:00 p.m. on Wednesday,  
22 January 2014

Announcement of results of acceptance of  
and excess applications for the Rights Issue ..... Tuesday, 28 January 2014

Despatch of refund cheques in respect of unsuccessful  
or partially unsuccessful excess applications for  
excess Rights Shares on or before ..... Wednesday, 29 January 2014

Despatch of certificates for fully-paid Rights Shares  
on or before ..... Wednesday, 29 January 2014

Commencement of dealings in fully-paid  
Rights Shares ..... 9:00 a.m. on Thursday,  
30 January 2014

*Note:* All dates and times referred to in this announcement are Hong Kong dates and times. Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and the Sole Underwriter. Further announcement will be made in the event that there is any change to the expected timetable for the Rights Issue.

**EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day.

If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

## **REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS**

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are the manufacture and trading of plastic, electronic and stuffed toys and model trains, property investment, and investment holding.

The gross proceeds from the Rights Issue are expected to be approximately HK\$108.4 million before expenses. The net proceeds from the Rights Issue after deducting the expenses, which will be borne by the Company, are estimated to be approximately HK\$103.7 million. The net Subscription Price per Rights Share is expected to be approximately HK\$0.364.

The net proceeds of the Rights Issue will be applied by the Group for certain purposes including (1) approximately 25% for the repayment of bank borrowings; (2) approximately 5% for the upgrade of the facilities; (3) approximately 10% for investment of future opportunities; and (4) approximately 60% for general working capital purposes. The Directors consider that it is in the interests of the Group and the Shareholders as a whole to strengthen the Group’s financial position and to enlarge its capital base by way of the Rights Issue, which will allow all Shareholders (other than the Excluded Shareholders (if any)) the opportunity to participate in further development of the Group. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

## **FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS**

The Company has not conducted other equity fund raising exercise in the past 12 months immediately preceding the date of this announcement.

## **SHAREHOLDERS' APPROVAL NOT REQUIRED**

There is no requirement under the Listing Rules for the Rights Issue to be approved by the Shareholders in general meeting.

## **CONNECTED TRANSACTION**

As at the date of this announcement, Mr. Liu Chee-ming is a non-executive Director and is also a controlling shareholder of the Financial Advisor and Sole Underwriter. Therefore, the Financial Advisor and Sole Underwriter is a connected person of the Company. The payment of the underwriting commission and the financial advisory fee by the Company to the Financial Advisor and Sole Underwriter constitutes a connected transaction for the Company under the Listing Rules. As one or more of the applicable percentage ratios for the total amount of underwriting commission and the financial advisory fee on an aggregated basis payable by the Company exceeds 0.1% but is less than 5%, the same is subject to reporting and announcement requirements but exempt from independent Shareholders' approval requirement under Rule 14A.32 of the Listing Rules.

## **GENERAL**

The Company will despatch the Rights Issue Documents to each of the Qualifying Shareholders and, for information only, to the extent reasonably practicable and legally permitted, the Prospectus to each of the Excluded Shareholders (if any) on or about Tuesday, 7 January 2014.

## **DEFINITIONS**

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“Acceptance Date”	Tuesday, 21 January 2014, being the last day for acceptance and payment of the Rights Shares, or such other time or date as the Company and the Sole Underwriter may agree
“Allotment Posting Date”	Tuesday, 7 January 2014, being the date on which the Rights Issue Documents are despatched, or such other date as the Company and the Sole Underwriter may agree
“associates”	has the meaning ascribed thereto in the Listing Rules

“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Kader Holdings Company Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Board, after making enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient to exclude them from the Rights Issue
“Existing Shares”	the Shares which are in issue on the Record Date
“Financial Advisor” or “Sole Underwriter”	Platinum Securities Company Limited, the financial advisor and sole underwriter to the Rights Issue, a licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Irrevocable Undertaking(s)”	the irrevocable undertaking(s) given by each of Mr. Ting and Mr. Ting’s Associates to the Company and the Sole Underwriter, as described in the section headed “Irrevocable Undertakings from each of Mr. Ting and Mr. Ting’s Associates” in this announcement
“Last Closing Price”	the closing price of HK\$0.490 per Share as quoted in the Stock Exchange on the Last Trading Day
“Last Trading Day”	Thursday, 12 December 2013, being the last date on which trading took place in the Shares before publication of this announcement
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Period”	the period commencing on the date of the Underwriting Agreement and ending on the date that is 180 days after the first day of trading of the Rights Shares in fully-paid form on the Stock Exchange
“Mr. Ting”	Mr. Kenneth Ting Woo-shou, an executive Director, the Chairman and the Managing Director and a controlling shareholder of the Company
“Mr. Ting’s Associates”	the associates of Mr. Ting, namely Mrs. Nancy Ting Wang Wan-sun, H.C. Ting’s Holdings Limited and Glory Town Limited
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PRC”	the People’s Republic of China, but excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appears on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	Monday, 6 January 2014, the record date to determine entitlements to the Rights Issue
“Rights Issue”	the proposed issue of 285,176,397 Rights Shares at the Subscription Price on the basis of three Rights Shares for every seven Existing Shares held on the Record Date payable in full on acceptance
“Rights Issue Documents”	the Prospectus, the provisional allotment letters and the forms of application for excess Rights Shares in relation to the Rights Issue to be issued by the Company
“Rights Share(s)”	new Share(s) to be allotted and issued under the Rights Issue, being 285,176,397 Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of Hong Kong of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$0.380 per Rights Share
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Underwriting Agreement”	the underwriting agreement entered into between the Company and the Sole Underwriter dated 12 December 2013 in relation to the Rights Issue

“Underwritten Rights Shares” the Rights Shares, other than those agreed to be taken up pursuant to the Irrevocable Undertakings, to be underwritten by the Sole Underwriter subject to the terms and conditions of the Underwriting Agreement

“%” per cent

By Order of the Board  
**Kader Holdings Company Limited**  
**Kenneth Ting Woo-shou**  
*Chairman*

Hong Kong, 12 December 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Kenneth Ting Woo-shou, SBS, JP (Chairman and Managing Director) and Mrs. Nancy Ting Wang Wan-sun; the non-executive directors of the Company are Mr. Ivan Ting Tien-li, Dr. Moses Cheng Mo-chi, GBS, OBE, JP, Mr. Liu Chee-ming and Mr. Bernie Ting Wai-cheung; and the independent non-executive directors of the Company are Mr. Floyd Chan Tsoi-yin, Mr. Andrew Yao Cho-fai, JP, Mr. Desmond Chum Kwan-yue and Mr. Ronald Montalto.*