

**TO ALL KADINGCO SHAREHOLDERS:  
A COMPANY UPDATE AS OF January 3, 2010**

Dear Kading Companies Shareholder:

First I'd like to thank all of you for being such loyal shareholders, and second I'd like to say that all proposals at the Annual Shareholders Meeting held on the 23<sup>rd</sup> of December 2009 passed. If you did not receive the Proxy Statement and would like to see it please go to [www.kadingco.com](http://www.kadingco.com) and then to Company Updates.

I am reaching out to you today, because I am continuing to raise capital for the Company at 1penny/share (the acknowledgement and subscription form is at the bottom of this letter). There are approximately 300 individuals that own stock in KadingCo and if each of you invested at least \$500 I would reach my fund raising goal. Below is a use of proceeds:

1. British Virgin Islands Taxes & Fees	\$10,000;
2. Promissory Note, plus interest	\$17,000;
3. SeedCo Venture Capital Loan	\$8,000;
4. NYS Tax Liability	\$6,000;
5. OTCQX application fee*	\$5,000;
6. OTCQX annual listing fee	\$12,600;
7. Kading Corp. creation & issuance of stock to participants	\$3,000;
8. Proxy/NOBO mailings	\$5,000;
9. Legal	\$15,000;
10. Accounting/Audits for KadingCo & Target Company	\$20,000;
11. Standard & Poor's Manual Blue Sky Listing	\$5,000;
12. Miscellaneous, Working Capital and Salary	<u>\$43,400.</u>
<b>13. TOTAL</b>	<b>\$150,000.</b>

\*(stock must be over 25 cents for 90 days before listing)

This funding does three important things:

1. It gets our Company trading on the premier Pink Sheets trading tier, which should create a much more liquid trading market for KadingCo.
2. It will make KadingCo more attractive for reverse acquisition opportunities, which should create significant shareholder value.
3. When you invest at 1¢/share you will drop your per share cost basis significantly, for example, if you bought 20,000 shares at \$1/share a while ago and now you buy 2 million shares at 1¢/share your new cost basis is about 2¢ instead of \$1 before you break even.

Plus, everyone participating in this offering will receive stock in the new Kading Corporation to an amount equal to what you purchase today and what you already own.

I have been approached by several companies interested in the possibilities of doing a reverse acquisition with KadingCo during 2009 and two within the last few weeks. I was in discussions with an ecommerce company early in December; however I believe that the principals may be researching other opportunities. These last two look very interesting and could increase the market value in our stock substantially. One is an aggregate mining company in Houston and the other is a fantasy sports gaming company in the NYC metro area.

Aside from the real possibility of doing a reverse acquisition we still have our ownership in Advanced Reconnaissance, Syringex and United Aerospace, which I will update you on shortly. I will now review for you where our Company is at present, what is on the immediate horizon, and ask you to join with me in ensuring we all get a healthy return for our investment. The road has been long and bumpy, however I believe that good things are very close at hand.

I will first review the present situation. KadingCo is an International Business Corporation, incorporated in the British Virgin Islands on October 13<sup>th</sup> 1995 with its sole office in Road Town Tortola, British Virgin Islands and Kevin Kading's office is at 48 Wall Street, 11<sup>th</sup> Floor, NYC 10005. There are now 500 million shares authorized and about 86 million shares issued and outstanding. My family and I own approximately 25 million of these shares (29% of the company), and you and your family/colleagues own about 61 million shares (71%).

KadingCo is a publicly traded company that is listed on the Pink Sheets. Our symbol is KDNG; the shares are rarely traded and have been at a price of \$0.0002 bid and \$0.009 ask for some time. The stock is priced like this because there is a serious lack of publicly disseminated information available to the investment community – which we can change because of this \$150,000 stock offering. For those of you who do not know this, there are five tiers of stock trading on the Pink Sheets: a) Caveat Emptor; b) Pink Sheets – No Information; c) Pink Sheets – Limited Information; d) Pink Sheets – Current Information; and e) the OTCQX, which is the premier tier. KDNG is on the “Pink Sheets – No Information tier. KDNG has had several ongoing financial challenges with its structure and its stock which, as listed approved in the use of proceeds, can rectify these issues. That, in part, has kept our stock on this near least desirable Pink Sheet tier. As a consequence, people looking to buy stock have avoided buying KDNG. By raising \$150,000 I can correct all of these issues, get our stock trading on a regular basis on the premier tier – the OTCQX, and have some working capital. That will be great for all of us!

KadingCo's mission is to seek out technologies; acquire the technologies through newly created subsidiary companies and build around the technologies with superior management teams. I've done that and now it is time to seek out other opportunities with substantial existing value that should enhance shareholder value substantially. Look at what we have accomplished to date.

**KadingCo owns about 5% or 1.1 million shares of Advanced Reconnaissance Corporation Inc (ARC).** ARC is a private company in business since 2003, with its sole office in Fishkill, New York. ARC is in the business of developing and producing a very sophisticated technology that utilizes the light spectrum to identify objects. ARC's sales from 2003 to 2007 totaled about \$500,000; in 2008 sales were \$650,000; 2009 sales were substantially higher, I believe over \$3 million, although I won't know until ARC finishes their financial statements and releases them publicly. ARC has designed and tested devices that: detect surface to air missiles; sniper fire; and improvised explosive devices (IED's) to name a few. ARC has spent 5 years perfecting its technology. ARC's system is currently being evaluated by the US military and over the past 3 years has already passed many milestones demanded by the military. If ARC is successful in finalizing several contracts with the military, the potential revenue from these contracts alone could reach into the 10's of millions of dollars within the next few years. ARC believes it will have final approval of its IED detection system early in 2010. KadingCo's 5% ownership of ARC could be worth well over \$5 million or about 5¢ per share. For KadingCo to hold an asset like that should have a very positive impact on the stock price. That's 500% from where we are today and would validate everything I've been telling you all these years.

**KadingCo owns about 5% or 750,000 shares of Syringex Medical, Inc.** Syringex is a private company in business since 1998 with its sole office in Seattle Washington. Syringex is in the business of developing and manufacturing a very effective medical safety syringe to be used by healthcare professionals worldwide. I have personally demonstrated it to many medical professionals and everyone that has tried the syringe liked it very much. It is cost competitive, easier to use and safer than any other safety syringe that I have seen. Syringex received FDA approval for its syringe in 2003 and completed a joint venture with a syringe manufacturer in China – only to fall short of capital to commence mass production of the syringe. I am actively, along with management and the Board members, seeking out investors.

Covidien, PLC has been evaluating and testing Syringex's patented safety syringes for over one year; these tests include DOT testing, field studies and clinical trials. Covidien has been very impressed, and just last month asked me for a price quote for our 1cc, 3cc and 5cc safety syringe. Syringex believes it is the only credible supplier of a safety syringe that really works better than all other safety syringes currently available. The size of the syringe market is huge; the overall syringe market is several billion dollars

annually. Although an order from Covidien would be insignificant (Covidien only uses about 2 ½ million syringes a year), an order from them would significantly validate the Syringex syringe because Covidien is the most critical user of syringes as they utilize radiopharmaceuticals in their syringes. Management and I believe that an order from Covidien would open the flood gates for orders from other syringe users.

KadingCo's 5% ownership of Syringex could be worth over \$20 million or 20¢ per KadingCo share, or 2,000% from where we are today!! In addition to Covidien, other potential customers that have expressed an interest in the Syringex syringe are: a very large medical product group purchasing organization, The Visiting Nurse's Association of New York, an Egyptian organization, and an assisted living facility, to name a few. I am actively looking for an investor for the \$8 million required to make Syringex a success. If Syringex captured 2% of the US syringe market their sales would probably be well over \$100,000,000 and they would have a net profit of about \$30 million × a stock price to earnings multiple (PE) of 20 to 1 would put a value of \$600 million divided by 20 million shares outstanding = a stock price of \$30 × 750,000 shares = \$22,500,000 in value to KadingCo.

**KadingCo owns 11% or about 4.9 million shares of United Aerospace, Inc. (UAI).** UAI is a private company in business since 2005 with its sole office in Bedminster New Jersey. UAI is in the business of developing coupling systems from technology that it has licensed from NASA and that it designs internally. Potential customers for UAI's products include the military and the trailer hitch market, to name a few. The overall global market for UAI's products is several billion dollars annually. Once the company is properly funded ,with about \$5 million, I believe sales, just from the tag-a-long coupler, could reach \$50 million annually or about 5% of the US market and we should have a \$10 million net profit × a PE of 15 = a market vale of \$150 million ÷ 43.3mm shares outstanding = a stock price of \$3.46 × 4.9mm shares KadingCo owns = \$16.9mm in value for KadingCo or about 20¢/share or 2,000% from where we are today.

We've all been waiting (for a long time!) to see the "opportunity" turn into "fruition" from these 3 companies, ARC, Syringex and UAI. It is happening with ARC today and I believe that it will happen with UAI and SMI during this new year. In the very beginning of January I will be referred to several investors from an investment banker for SMI and the CEO for UAI is in touch with a group that has expressed significant interest in our tag-along coupler to market it on television. Hopefully these events will happen shortly.

**Now we have the possibility for additional opportunities with NO SIGNIFICANT FINANCIAL RISK to us! Let's clean up KadingCo, start the process of getting it listed on the OTCQX and do a viable reverse acquisition while watching our other positions grow in 2010, plus new ownership in Kading Corp. If everyone invested only \$500 I'd be at my \$150,000 goal.**

Please either call me or email me with any questions you might have. The subscription form is at the end of this letter and only takes a minute to fill-in and mail. Thank you.

Sincerely,

Kevin Kading  
212-918-4606  
kkading@kadingco.com

ACKNOWLEDGMENT AND SUBSCRIPTION FORM

The undersigned hereby represents and acknowledges that he or she has received and read a copy of this ACKNOWLEDGMENT AND SUBSCRIPTION FORM in its entirety, and has read our "Risk Factors" located at [www.kadingco.com](http://www.kadingco.com) and, located at this web-site link <http://www.sec.gov/answers/accred.htm>, the definition of Regulation D and therein the definition of "Accredited Investor", relating to an investment in the COMMON STOCK of Kading Companies, S.A. I understand that the COMMON STOCK offered for sale by Kading Companies, S.A. is an extremely speculative investment and involves an extreme degree of risk. I hereby represent that I am an "accredited investor" as defined in Rule 230.501(a) of Regulation D pursuant to the Securities Act of 1933 and as described in the above web-site link to the United States Securities & Exchange Commission, in addition, I represent that I have such knowledge and experience in business and financial matters that that I am capable of evaluating the relative risks and merits of this investment. I also represent that I have been afforded the opportunity to ask questions of and have reviewed the Kading Companies, SA web-site at [www.kadingco.com](http://www.kadingco.com) and all additional information deemed necessary and appropriate by me to evaluate the information contained in the Kading Companies, SA web-site above to further evaluate this investment. I am fully aware that I am acquiring restricted securities and that the transfer agent for the Company will place a restrictive legend on the certificate and that I am purchasing the COMMON STOCK for investment purposes for my own account and not with a view for resale or distribution. By my signature below, I hereby subscribe to purchase shares of COMMON STOCK at a price of \$0.01 per share for a total investment of \$ and hereby tender my check in said amount in consideration for said COMMON STOCK. I understand this subscription is subject to acceptance by Kading Companies, S.A., in its sole discretion, and will not be binding upon Kading Companies, SA until accepted by execution below.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Date

\_\_\_\_\_  
FEIN or Social Security Number

Checks should be made payable to: Kading Companies, S A, and mailed to:  
Kevin H. Kading, 48 Wall Street, 11<sup>th</sup> Floor, New York, NY 10005.

ACCEPTANCE

The undersigned, being a duly authorized officer of Kading Companies, S.A., hereby accepts the subscription and bank draft in the amount of \$\_\_\_\_\_ tendered herein.

\_\_\_\_\_  
Kevin H. Kading, President

\_\_\_\_\_  
Dated