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If you are in any doubt about this circular or as to the action to be taken, you should consult your stock broker 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 Kelfred Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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KELFRED HOLDINGS LIMITED

恒發光學控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1134)

- (1) PROPOSED FOR GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
(3) RE-APPOINTMENT OF AUDITOR;
(4) PROPOSALS FOR PAYMENT OF FINAL DIVIDEND OUT OF
SHARE PREMIUM ACCOUNT; AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting (the “**AGM**”) of Kelfred Holdings Limited (the “**Company**”) to be held at Room 1606, 16/F, Block B, New Trade Plaza, 6 On Ping Street, Sha Tin, New Territories, Hong Kong on Friday, 22 May 2020 at 11:00 a.m. is set out on pages 23 to 27 of this circular.

A form of proxy for use by the shareholders at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to read this circular and complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. Wednesday, 20 May 2020 at 11:00 a.m.) for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM, or any adjourned meeting should you so wish.

20 April 2020

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Room 1606, 16/F, Block B, New Trade Plaza, 6 On Ping Street, Sha Tin, New Territories, Hong Kong on Friday, 22 May 2020 at 11:00 a.m., the notice of which is set out on pages 23 to 27 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 23 to 27 of this circular
“Articles”	the articles of association of the Company adopted on 22 June 2019, and as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Kelfred Holdings Limited (恒發光學控股有限公司) (Stock Code: 1134), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of Cayman Islands, as amended, modified and supplemented from time to time
“Controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Final Dividend”	the final dividend of HK2.0 cents per Share recommended by the Board
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with the Shares not exceeding the aggregate of 20% of the number of the issued Shares as at the date of the passing of the relevant resolution
“Latest Practicable Date”	15 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Date”	16 July 2019, being the date of the Shares first becoming listing on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Memorandum”	the memorandum of association of the Company, as amended, supplemented or otherwise modified from time to time
“Prospectus”	the Company’s prospectus dated 29 June 2019
“Register of Members”	the register of members of the Company
“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to purchase or repurchase the Shares not exceeding the aggregate of 10% of the number of the issued Shares as at the date of the passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of the Company with nominal value of HK\$0.01 each
“Share Registrar”	Tricor Investor Services Limited, being the Hong Kong branch share registrar of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Premium Account”	the share premium account within the equity section of the Company, the amount standing to the credit of which was approximately HK\$98,511,000 as at 31 December 2019 based on the audited consolidated financial statements of the Company as at that date

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong, as amended, supplemented or otherwise modified from time to time
“%”	per cent

LETTER FROM THE BOARD



KELFRED HOLDINGS LIMITED

恒發光學控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1134)

Executive Directors:

Mr. Kwok Kwan Fai (*Chairman*)

Mr. Kwok Kwan Yu (*Chief Executive Officer*)

Non-executive Directors:

Mr. Kwok Mau Kwan

Ms. Chan Yin Wah

Independent non-executive Directors:

Mr. Chu Kin Ming

Mr. Lee Wai Ming

Mr. Chan Hon Wah

Registered Office:

Estera Trust (Cayman) Limited

PO Box 1350

Clifton House

75 Fort Street

Grand Cayman

KY1-1108

Cayman Islands

Head Office and Principal Place of

Business in Hong Kong:

Workshops 1605-1606, 16/F., Block B

New Trade Plaza

6 On Ping Street

Sha Tin, New Territories

Hong Kong

Hong Kong, 20 April 2020

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED FOR GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS;
(3) RE-APPOINTMENT OF AUDITOR;
(4) PROPOSALS FOR PAYMENT OF FINAL DIVIDEND OUT OF
SHARE PREMIUM ACCOUNT; AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with notice of the AGM and the relevant information regarding the resolutions to be proposed at the AGM relating to:

LETTER FROM THE BOARD

- (i) the granting of the Issue Mandate to the Directors;
- (ii) the granting of the Repurchase Mandate to the Directors;
- (iii) the granting of the extension mandate to extend the Issue Mandate by the addition of an amount representing the number of the issued Shares purchased or repurchased by the Company pursuant to the Repurchase Mandate;
- (iv) the re-election of retiring Directors;
- (v) the re-appointment of the auditor of the Company; and
- (vi) the payment of the Final Dividend out of the Share Premium Account.

GENERAL MANDATE TO ISSUE SHARES

The Directors have been granted a general unconditional mandate to allot, issue and deal with the Shares pursuant to the ordinary resolution of the Shareholders passed on 22 June 2019. As at the Latest Practicable Date, such general mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general unconditional mandate to exercise all powers of the Company to allot, issue and deal with the Shares not exceeding the aggregate of 20% of the number of the issued Shares as at the date of the passing of the relevant resolution. As at the Latest Practicable Date, the total number of Shares in issue was 500,000,000. Subject to the passing of the proposed resolution, assuming that there would be no change to the number of issued shares prior to the AGM, the maximum number of new Shares which can be issued under the Issue Mandate will be 100,000,000 Shares, representing 20% of the number of the issued share as at the Latest Practicable Date.

Details of the Issue Mandate are set out in the ordinary resolution as referred to in resolution no. 4 of the notice of the AGM.

GENERAL MANDATE TO REPURCHASE SHARES

The Directors have been granted a general unconditional mandate to exercise all powers of the Company to purchase Shares pursuant to the ordinary resolution of the Shareholders passed on 22 June 2019. As at the Latest Practicable Date, such repurchase mandate has not been utilised and will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed at the AGM that the Directors be granted a general unconditional mandate to exercise all powers of the Company to purchase or repurchase the Shares not exceeding the aggregate of 10% of the number of the issued Shares as at the date of the passing of the relevant resolution.

LETTER FROM THE BOARD

An explanatory statement giving the particulars required under the Listing Rules in respect of the Repurchase Mandate to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision whether to vote for or against the resolution is set out in the Appendix I to this circular.

Details of the Repurchase Mandate are set out in the ordinary resolution as referred to in resolution no. 5 of the notice of the AGM.

The Issue Mandate and Repurchase Mandate will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking or varying such mandate.

As at the Latest Practicable Date, the total number of Shares in issue was 500,000,000. Subject to the passing of the proposed resolution assuming that there would be no change in the number of the issued shares prior to the AGM, the maximum number of shares which can be repurchased by the Company under the Repurchase Mandate would be 50,000,000 Shares, representing 10% of the number of the issued share as at the Later Practicable Date.

EXTENSION OF THE ISSUE MANDATE

In addition, if the Issue Mandate and the Repurchase Mandate are granted, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the number of the Shares which may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to the Issue Mandate of an amount representing the number of the issued Shares purchased or repurchased by the Company pursuant to the Repurchase Mandate, provided that such number of shares shall not exceed 10% of the aggregate number of the issued shares as at the date of passing the resolution for approving the Issue Mandate.

Details of the extension of the Issue Mandate are set out in the ordinary resolution as referred to in resolution no. 6 of the notice of the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the Board consisted of seven Directors, namely:

Executive Directors	Date of appointment
Mr. Kwok Kwan Fai (“ Mr. Joe Kwok ”)	20 April 2018 (redesignated as executive Director on 24 July 2018)
Mr. Kwok Kwan Yu (“ Mr. Ken Kwok ”)	20 April 2018 (redesignated as executive Director on 24 July 2018)

Non-executive Directors

Mr. Kwok Mau Kwan (“ Mr. Kwok ”)	21 May 2018
Ms. Chan Yin Wah (“ Mrs. Kwok ”)	24 July 2018

Independent non-executive Directors

Mr. Chu Kin Ming (“ Mr. Chu ”)	22 June 2019
Mr. Lee Wai Ming (“ Mr. Lee ”)	22 June 2019
Mr. Chan Hon Wah (“ Mr. Chan ”)	22 June 2019

Pursuant to article 112 of the Articles, any Director appointed by the Board to fill a casual vacancy to the existing Board shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

At the AGM, each of Mr. Joe Kwok and Mr. Ken Kwok will retire and, being eligible, will offer themselves for re-election as the executive Directors, Mr. Kwok and Mrs. Kwok will retire and, being eligible, will offer themselves for re-election as the non-executive Directors and each of Mr. Chu, Mr. Lee and Mr. Chan will retire and, being eligible, will offer themselves for re-election as independent non-executive Directors at the AGM.

Biographical details of the retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

RECOMMENDATION OF THE NOMINATION COMMITTEE ON RE-ELECTION OF DIRECTORS

On 20 December 2019, the nomination committee of the Board (the “**Nomination Committee**”), having reviewed the composition of the Board, nominated Mr. Joe Kwok, Mr. Ken Kwok, Mr. Kwok, Mrs. Kwok, Mr. Chu, Mr. Lee and Mr. Chan to the Board for it to recommend to Shareholders for re-election at the AGM. Mr. Joe Kwok, Mr. Chu, Mr. Lee and Mr. Chan, who are members of the Nomination Committee, abstained from voting at the Committee meeting when their respective nomination was being considered.

LETTER FROM THE BOARD

The nominations were made in accordance with the nomination policy and the objective criteria (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the board diversity policy of the Company, details of which are set out in the 2019 annual report of the Company.

The Nomination Committee had also taken into account of the respective contributions of Mr. Joe Kwok, Mr. Ken Kwok, Mr. Kwok, Mrs. Kwok, Mr. Chu, Mr. Lee and Mr. Chan to the Board and their commitment to their roles. The Nomination Committee was satisfied with the independence of Mr. Chu, Mr. Lee and Mr. Chan having regard to the independence criteria as set out in Rule 3.13 of the Listing Rules.

Each of Mr. Chu, Mr. Lee and Mr. Chan, who is proposed to be re-elected as an independent non-executive Director of the Company, confirmed to the Company that he did not, as at the Latest Practicable Date, hold seven or more directorship in any listed companies. The biographical background of Mr. Chu, Mr. Lee and Mr. Chan is more particularly set out in Appendix II of this circular.

On 20 December 2019, the Board accepted Nomination Committee's nominations and recommended Mr. Joe Kwok and Mr. Ken Kwok to stand for re-election as executive Directors, Mr. Kwok and Mrs. Kwok to stand for re-election as non-executive Directors, and Mr. Chu, Mr. Lee and Mr. Chan to stand for re-election as independent non-executive Directors by Shareholders at the AGM. The Board considers that the re-election of Mr. Joe Kwok, Mr. Ken Kwok, Mr. Kwok, Mrs. Kwok, Mr. Chu, Mr. Lee and Mr. Chan as Directors is in the best interest of the Company and Shareholders as a whole. Each of Mr. Joe Kwok, Mr. Ken Kwok, Mr. Kwok, Mrs. Kwok, Mr. Chu, Mr. Lee and Mr. Chan abstained from the discussion and voting at the Board meeting regarding their respective nominations.

Further information about the Board's composition and diversity (including their gender, age, expertise, skills and qualifications) and Directors' attendance record at Board and Board committee meetings has been disclosed in the corporate governance report of the 2019 annual report of the Company.

RE-APPOINTMENT OF AUDITORS

RSM Hong Kong will retire as the independent auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment. Details of the re-appointment of independent auditor are set out in the ordinary resolution no. 2 of the notice of AGM.

PROPOSED PAYMENT OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

As announced by the Company in its results announcement for the year ended 31 December 2019 dated 23 March 2020, the Board recommended a final dividend of HK2.0 cents per Share, subject to the approval of Shareholders at the AGM by way of special resolution. The Final Dividend is intended to be paid out entirely of the Share Premium Account pursuant to the Articles and in accordance with the Companies Law.

LETTER FROM THE BOARD

As at 31 December 2019, based on the audited consolidated financial statements of the Company, the amount standing to the credit of the Share Premium Account was approximately HK\$98,511,000. Subject to the fulfilment of the conditions set out in the paragraph headed “Conditions of the Payment of the Final Dividend out of the Share Premium Account” below, the Board proposed to use an amount of HK\$10,000,000 standing to the credit of the Share Premium Account for the payment of the Final Dividend pursuant to the Articles and the Companies Law. Following such payment there will be a remaining balance of approximately HK\$88,511,000 standing to the credit of the Share Premium Account.

(i) Reasons for the payment of Final Dividend out of the Share Premium Account

The Board considers it unnecessary to maintain the Share Premium Account at its current level. The Board believes that the use of HK\$10,000,000 from the Share Premium Account for the payment of the Final Dividend is beneficial to the Company and the Shareholders as a whole.

(ii) Effect of the payment of Final Dividend out of the Share Premium Account

The implementation of the payment of Final Dividend out of Share Premium Account does not involve any reduction in the authorised or issued share capital of the Company and it does not involve any reduction in the nominal value of the Shares or affect the trading arrangements concerning the Shares.

The Company recorded a consolidated profit and total comprehensive income for the year ended 31 December 2019 to the equity holders of the Company of approximately HK\$8.4 million. The payment of Final Dividend out of the Share Premium Account will not affect the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders, other than related expenses incurred which are immaterial. Save for the aforesaid expenses, the Directors consider that the payment of Final Dividend out of the Share Premium Account will not cause any loss in the Shareholders’ funds of the Company and will not have a material adverse effect on the financial position of the Company.

(iii) Conditions of the payment of the Final Dividend out of the Share Premium Account

The payment of the Final Dividend out of the Share Premium Account is conditional upon the following being fulfilled:

- (a) the passing of a special resolution by the Shareholders to approve the payment of the Final Dividend out of the Share Premium Account pursuant to the Articles at the AGM; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, or immediately after the Final Dividend is paid will be, unable to pay its debts as they fall due in the ordinary course of business.

LETTER FROM THE BOARD

The above conditions cannot be waived. If the conditions set out above are not satisfied, the Final Dividend would not be paid.

(iv) Payment of Final Dividend out of the Share Premium Account

Subject to the fulfilment of the above conditions, the Final Dividend is payable on or around Monday, 22 June 2020 to the Shareholders whose names appear on the Register of Members of the Company at close of business on Monday, 1 June 2020, being the record date for determination of entitlement to the Final Dividend. In order to qualify for the Final Dividend, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 27 May 2020.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlement to attend and to vote at the AGM, the Register of Members will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020 (both dates inclusive), during which period no transfer of the Shares will be effected. In order to be eligible to attend and vote at the AGM, all completed share transfer documents accompanied by the relevant share certificates shall be lodged with the Share Registrar for registration no later than 4:30 p.m. on Monday, 18 May 2020.

To ascertain the entitlement of the Final Dividend, the Register of Members will be closed from Thursday, 28 May 2020 to Monday, 1 June 2020, during which period no transfer of shares will be effected, and, subject to the approval of the shareholders at the AGM approving the payment of the Final Dividend and the conditions set out above, the Final Dividend is expected to be paid on Monday, 22 June 2020. In order to qualify for the Final Dividend, all completed share transfer documents accompanied by the relevant share certificates must be lodged with the Share Registrar not later than 4:30 p.m. on Wednesday, 27 May 2020 for registration.

AGM AND PROXY ARRANGEMENT

The notice convening the AGM to be held at Room 1606, 16/F, Block B, New Trade Plaza, 6 On Ping Street, Sha Tin, New Territories, Hong Kong on Friday, 22 May 2020 at 11:00 a.m. is set out on pages 23 to 27 of this circular. Resolutions will be proposed at the AGM for the purpose of considering and if thought fit, approving the resolutions proposed in the notice of the AGM.

A form of proxy for use by the Shareholders at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to read this circular and complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. Wednesday, 20 May 2020 at 11:00 a.m.) for holding the AGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

VOTING AT THE AGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be made by the Company after the AGM, in the manner prescribed under Rule 13.39(5) of the Listing Rules, on the results of the AGM after being verified by the scrutineer.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors believe that the proposed resolutions as set out in the notice of the AGM, including, among other things, the proposed payment of Final Dividend out of the Share Premium Account, the proposed resolutions in relation to the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of retiring Directors and the re-appointment of the auditor of the Company are in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
KELFRED HOLDINGS LIMITED
Mr. Kwok Kwan Fai
Chairman and Executive Director

This appendix serves as an explanatory statement, as required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules, to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, a total of 500,000,000 Shares were in issue. As at the Latest Practicable Date, the Company did not have any outstanding options, warrants and convertible securities to subscribe for the Shares.

Assuming that no further Shares are issued or repurchased during the period from the Latest Practicable Date until the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 50,000,000 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date. The Repurchase Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles, the Companies Law or any applicable laws of the Cayman Islands; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or the earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The number of the Shares to be repurchased on any occasion and the price and other terms on which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

3. SOURCE OF FUNDS AND IMPACT OF REPURCHASES

The Company is empowered by the Articles to repurchase its Shares. In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the Listing Rules, the Memorandum, the Articles, the applicable laws of Cayman Islands and all other applicable laws, rules and regulations, as the case may be.

The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

Subject to the foregoing, any repurchase of the Shares by the Company may be made out of profits of the Company, out of share premium, or out of the proceeds of a fresh issue of the Shares made for the purpose of the repurchase or, subject to the Companies Law, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of profits of the Company, out of the Company's share premium account before or at the time the Shares are repurchased, or subject to the Company Law, out of capital.

As compared with the position disclosed in the audited consolidated financial statements of the Group as at 31 December 2019, the Directors consider that there could be a material adverse impact on the working capital and on the gearing level of the Company in the event that the proposed repurchases under the Repurchase Mandate were to be carried out in full during the proposed purchases period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing level which, in the opinion of the Directors, are from time to time appropriate for a Company.

4. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the proposed resolution for the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

5. INTENTION TO SELL SHARES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has any present intention, in the event that the proposed resolution for the Repurchase Mandate is approved by the Shareholders, to sell any of their Shares to the Company pursuant to the Repurchase Mandate.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell their Shares to the Company or has undertaken not to sell any of their Shares to the Company, in the event that the Company is authorised to make repurchases of the Shares.

6. CONSEQUENCES UNDER THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If, as a result of a repurchase of the Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert (within the meaning under the Takeovers Code) could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any such consequence which may arise under the Takeovers Code if the Repurchase Mandate is exercised.

As at the Latest Practicable Date, the following Shareholders had interests representing 5% or more of the issued share capital of the Company:

Name	Capacity/Nature of interest	Number of Shares held/ interested	Approximate percentage of total issued Shares	
			As at the Latest Practicable Date	If Repurchase Mandate is exercise in full
Conquer Holding Limited ("Conquer") (Note 1)	Beneficial owner	375,000,000	75.0%	83.3%
Mr. Joe Kwok (Note 1)	Interest in controlled corporation	375,000,000	75.0%	83.3%
Ms. Lee Man Yee Joanna ("Ms. Lee") (Note 2)	Interest of spouse	375,000,000	75.0%	83.3%
Mr. Ken Kwok (Note 1)	Interest in controlled corporation	375,000,000	75.0%	83.3%
Ms. Siu Fong Ting Tammy ("Ms. Siu") (Note 3)	Interest of spouse	375,000,000	75.0%	83.3%
Mrs. Kwok (Note 4)	Interest in controlled corporation; interest held jointly with another person	375,000,000	75.0%	83.3%
Mr. Kwok (Note 5)	Interest of spouse	375,000,000	75.0%	83.3%

Notes:

- (1) Conquer is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Ken Kwok. As each of Mr. Joe Kwok and Mr. Ken Kwok hold 49% shareholding interest in Conquer, each of Mr. Joe Kwok and Mr. Ken Kwok is deemed to be interested in the Shares held by Conquer under the SFO.
- (2) Ms. Lee is the spouse of Mr. Joe Kwok and is deemed to be interested in all the Shares interested by Mr. Joe Kwok for the purposes of the SFO.
- (3) Ms. Siu is the spouse of Mr. Ken Kwok and is deemed to be interested in all the Shares interested by Mr. Ken Kwok for the purposes of the SFO.

- (4) On 3 January 2019, Mr. Kwok, Mrs. Kwok, Mr. Joe Kwok and Mr. Ken Kwok entered into the confirmatory deed to acknowledge and confirm, among other things, that they are parties acting in concert in respect of each of the members of our Group since their respective dates of incorporation and shall continue to do so after the date of the confirmatory deed. Details of the confirmatory deed are set out in the paragraph headed “History, Reorganisation and Group Structure – Parties acting in concert” in the Prospectus. Accordingly, Mrs. Kwok, Mr. Joe Kwok, Mr. Ken Kwok and Conquer are considered as a group of Controlling Shareholders and Mrs. Kwok is deemed to be interested in the Shares held by Conquer under the SFO.
- (5) Mr. Kwok is the spouse of Mrs. Kwok and is deemed to be interested in all the Shares interested by Mrs. Kwok for the purposes of the SFO.

In the event that the Directors exercise the proposed Repurchase Mandate in full and assuming that there is no change in the issued share capital of the Company and the number of Shares held by Conquer (which is owned as to 2%, 49%, 49% by Mrs. Kwok, Mr. Joe Kwok and Mr. Ken Kwok, respectively) together with its close associates remain unchanged, the interests of Conquer and its close associates in the issued share capital of the Company would be increased to approximately 83.3% and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of the Shares which are in the hands of the public falling below 25% of the total number of the Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

7. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during the period since the Listing Date to the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2019		
July (since 16 July 2019)	1.06	0.99
August	1.20	0.92
September	1.02	0.87
October	0.91	0.84
November	0.89	0.42
December	0.92	0.45
2020		
January	1.05	0.87
February	0.99	0.85
March	0.90	0.68
April (up to the Latest Practicable Date)	0.78	0.66

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) since the Listing Date up to the Latest Practicable Date.

APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM

The biographical details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

Save as disclosed herein, to the best knowledge of the Directors having made all reasonable enquiries, each of the following retiring Directors proposed for the re-election:

- (a) does not hold any other directorship in listed public companies in Hong Kong or overseas in the last three years;
- (b) does not have any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations required to be disclosed pursuant to Part XV of the SFO; and
- (c) does not hold any other positions with the Company or any of its subsidiaries nor does he/her has any other relationship with any Directors, senior management, substantial shareholder or controlling shareholder of the Company.

In addition, there are no other matters that need to be brought to the attention of the Shareholders nor is there other information required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules in respect of each of the following retiring Directors proposed to be re-elected at the AGM.

EXECUTIVE DIRECTORS

Mr. Kwok Kwan Fai

Mr. Kwok Kwan Fai (郭君暉) (“**Mr. Joe Kwok**”), aged 47, is an executive Director and the Chairman of our Board. Mr. Joe Kwok joined our Group in April 1998 and has over 20 years of experience in trading, manufacturing and design of eyewear products. He is primarily responsible for formulating overall business development strategies, overall management and administration and making major business decisions of our Group.

Mr. Joe Kwok obtained his Bachelor’s degree in Business (Accounting) from Monash University in August 1995. Prior to joining our Group, Mr. Joe Kwok worked as an audit trainee in K. L. Wong & Co., which was an accounting firm, from June 1995 to June 1996 and was employed by Manulife (International) Limited from March 1996 to December 1997 as an agent and his last position was unit manager.

Mr. Joe Kwok has been holding directorship in certain subsidiaries of the Company.

Mr. Joe Kwok is the son of Mr. Kwok Mau Kwan (“**Mr. Kwok**”) and Ms. Chan Yin Wah (“**Mrs. Kwok**”), who are non-executive Directors of the Company, and is the brother of Mr. Kwok Kwan Yu who is an executive Director and the chief executive officer of the Company.

APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM

Mr. Joe Kwok has entered into a service agreement with the Company pursuant to which he has agreed to act as an executive Director for a fixed term of three years commencing from 16 July 2019, the date of the listing of the Company and shall continue thereafter, subject to termination by either party in accordance with the terms thereof. Mr. Joe Kwok is entitled to an annual remuneration of HK\$2,462,000 with discretionary bonus. Such remuneration was determined in accordance with, and covered by, the aforesaid service agreement. Mr. Joe Kwok is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

As at the Latest Practicable Date, Conquer (which is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Kwok Kwan Yu) is interested in 375,000,000 Shares of the Company. As Mr. Joe Kwok held 49% shareholding interest in Conquer, Mr. Joe Kwok is deemed to be interested in the Shares held by Conquer under the SFO.

Mr. Kwok Kwan Yu

Mr. Kwok Kwan Yu (郭君宇) (“**Mr. Ken Kwok**”), aged 42, is an executive director and the chief executive officer of our Company. Mr. Ken Kwok joined our Group in December 1999 and has over 18 years of experience in trading, manufacturing and design of eyewear products. He is primarily responsible for making major operation decisions for our Group and supervising business administration of our Group.

Mr. Ken Kwok completed his secondary education in Hong Kong in July 1995. Mr. Ken Kwok has been holding directorship in certain subsidiaries of the Company.

Mr. Ken Kwok is the son of Mr. Kwok and Mrs. Kwok, who are non-executive Directors of the Company, and is the brother of Mr. Joe Kwok who is an executive Director and the Chairman of our Board.

Mr. Ken Kwok has entered into a service agreement with the Company pursuant to which he has agreed to act as an executive Director for a fixed term of three years commencing from 16 July 2019, the date of the listing of the Company and shall continue thereafter, subject to termination by either party in accordance with the terms thereof. Mr. Ken Kwok is entitled to an annual remuneration of HK\$2,462,000 with discretionary bonus. Such remuneration was determined in accordance with, and covered by, the aforesaid service agreement. Mr. Ken Kwok is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

As at the Latest Practicable Date, Conquer (which is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Ken Kwok) is interested in 375,000,000 Shares of the Company. As Mr. Ken Kwok held 49% shareholding interest in Conquer, Mr. Ken Kwok is deemed to be interested in the Shares held by Conquer under the SFO.

APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM

NON-EXECUTIVE DIRECTORS

Mr. Kwok Mau Kwan

Mr. Kwok Mau Kwan (郭茂群) (“**Mr. Kwok**”), aged 76, is a non-executive Director of our Company. Mr. Kwok co-founded our Group with an independent third party in April 1986. He has over 32 years of experience in trading, manufacturing and design of eye wear products and is currently the honorary chairman of Jiangxi Yingtian Optical Industry Association (江西鷹潭眼鏡行業協會) and a committee member of the First Chinese People’s Political Consultative Conference of Yujiang District, Yingtian (政協鷹潭市余江區第一屆委員會會員). He is primarily responsible for participating in formulating the corporate and business strategies of our Group. Mr. Kwok completed his secondary education in the PRC in June 1962.

Mr. Kwok is the spouse of Mrs. Kwok, a non-executive Director of the Company, and is the father of Mr. Joe Kwok and Mr. Ken Kwok, both being the executive Directors of the Company.

Mr. Kwok has entered into a service agreement with the Company pursuant to which he has agreed to act as a non-executive Director for a fixed term of three years commencing from 16 July 2019, the date of the listing of the Company. Mr. Kwok is entitled to an annual remuneration of HK\$529,000 with discretionary bonus. Such remuneration was determined in accordance with, and covered by, the aforesaid service agreement. Mr. Kwok is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

As at the Latest Practicable Date, Conquer (which is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Ken Kwok) is interested in 375,000,000 Shares of the Company. On 3 January 2019, Mr. Kwok, Mrs. Kwok, Mr. Joe Kwok and Mr. Ken Kwok entered into the confirmatory deed to acknowledge and confirm, among other things, that they are parties acting in concert in respect of each of the members of our Group since their respective dates of incorporation and shall continue to do so after the date of the confirmatory deed. Details of the confirmatory deed are set out in the paragraph headed “History, Reorganisation and Group Structure – Parties acting in concert” in the Prospectus. Accordingly, Mrs. Kwok, Mr. Joe Kwok, Mr. Ken Kwok and Conquer are considered as a group of Controlling Shareholders and Mrs. Kwok is deemed to be interested in the Shares held by Conquer under the SFO. Mr. Kwok is the spouse of Mrs. Kwok and is deemed to be interested in all the Shares interested by Mrs. Kwok for the purposes of the SFO.

**APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS
PROPOSED FOR RE-ELECTION AT THE AGM**

Ms. Chan Yin Wah

Ms. Chan Yin Wah (陳燕華) (“**Mrs. Kwok**”), aged 69, is a non-executive Director of our Company. She joined our Group in August 1987 and has over 30 years of experience in trading, manufacturing and design of eye wear products. She is primarily responsible for participating in formulating the corporate and business strategies of our Group. Mrs. Kwok completed her secondary education in Hong Kong in July 1967.

Mrs. Kwok is the spouse of Mr. Kwok, a non-executive Director of the Company, and is the mother of Mr. Joe Kwok and Mr. Ken Kwok, both being the executive Directors of the Company.

Mrs. Kwok has entered into a service agreement with the Company pursuant to which she has agreed to act as a non-executive Director for a fixed term of three years commencing from 16 July 2019, the date of the listing of the Company. Mrs. Kwok is entitled to an annual remuneration of HK\$434,000 with discretionary bonus. Such remuneration was determined in accordance with, and covered by, the aforesaid service agreement. Mrs. Kwok is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

As at the Latest Practicable Date, Conquer (which is owned as to 2% by Mrs. Kwok, 49% by Mr. Joe Kwok and 49% by Mr. Ken Kwok) is interested in 375,000,000 Shares of the Company. On 3 January 2019, Mr. Kwok, Mrs. Kwok, Mr. Joe Kwok and Mr. Ken Kwok entered into the confirmatory deed to acknowledge and confirm, among other things, that they are parties acting in concert in respect of each of the members of our Group since their respective dates of incorporation and shall continue to do so after the date of the confirmatory deed. Details of the confirmatory deed are set out in the paragraph headed “History, Reorganisation and Group Structure – Parties acting in concert” in the Prospectus. Accordingly, Mrs. Kwok, Mr. Joe Kwok, Mr. Ken Kwok and Conquer are considered as a group of Controlling Shareholders and Mrs. Kwok is deemed to be interested in the Shares held by Conquer under the SFO.

APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Kin Ming

Mr. Chu Kin Ming (朱健明), aged 39, was appointed as an independent non-executive Director on 22 June 2019. He is the chairman of the audit committee of the Company, and member of the remuneration committee, nomination committee and risk management committee of the Company. Mr. Chu is currently an independent non-executive director of SK Target Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8427) since June 2017, an independent non-executive director of Optima Automobile Group Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8418) since October 2019, and an independent non-executive director of China Oil Gangran Energy Group Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8132) since February 2020. Currently, Mr. Chu is the company secretary of Sino-life Group Limited, a company listed on GEM of the Stock Exchange (stock code: 8296) since June 2019.

Mr. Chu has more than 16 years working experience in the accounting and company secretary field. Mr. Chu served as a chief financial officer and company secretary of companies listed on the Stock Exchange.

Mr. Chu obtained a bachelor's degree in accountancy from the Hong Kong Polytechnic University in November 2003. Mr. Chu was admitted as a member of the Hong Kong Institute of Certified Public Accountants in July 2008. He was admitted to graduateship of the Institute of Chartered Secretaries and Administrators in February 2009 and was elected as an associate in April 2009. Mr. Chu was admitted as an associate of the Taxation Institute of Hong Kong in September 2010. He became a fellow member of The Association of Chartered Certified Accountants in December 2012.

Mr. Chu has entered into a letter of appointment with the Company pursuant to which he has agreed to act as an independent non-executive Director for a fixed term of one year commencing from 16 July 2019. Mr. Chu is entitled to an annual remuneration of HK\$180,000. Such remuneration was determined in accordance with, and covered by, the aforesaid letter of appointment. Mr. Chu is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

**APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS
PROPOSED FOR RE-ELECTION AT THE AGM**

Mr. Lee Wai Ming

Mr. Lee Wai Ming (李偉明), aged 52, is an independent non-executive Director of our Company. Mr. Lee has more than 25 years of experience in the field of accounting, corporate finance and management. Mr. Lee obtained a Bachelor of Arts (Hons) degree in Accountancy from the Hong Kong Polytechnic University in November 1993. Mr. Lee was admitted as (i) a member of the Hong Kong Institute of Certified Public Accountants in July 1998; and (ii) a fellow of the Association of Chartered Certified Accountants in April 2003.

Mr. Lee started his career in Deloitte Touche Tohmatsu from July 1993 to December 2003 with his last position as a manager. He then served as the financial controller and company secretary in Dadi International Group Limited (formerly known as Milkyway Image Holdings Limited), a company listed on GEM of the Stock Exchange (stock code: 8130) with principal business of media and entertainment and advertising and marketing, from May 2004 to July 2007. From June 2010 to October 2013, Mr. Lee worked as the finance manager of Viva China Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8032) with principal business of provision of sport-related services and property and community development. From October 2013 to December 2016, Mr. Lee served as the financial controller and company secretary in Wealth Glory Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8269) with principal business of trading of coal, manufacturing and trading of consumer goods. In September 2017, Mr. Lee joined ArtGo Holdings Limited, a company listed on the Stock Exchange (stock code: 3313) with principal business of mining, processing, trading and sales of marble stone and trading of commodities, as a chief financial officer of the company and is now a business executive of the Company.

Mr. Lee has entered into a letter of appointment with the Company pursuant to which he has agreed to act as an independent non-executive Director for a fixed term of one year commencing from 16 July 2019. Mr. Lee is entitled to an annual remuneration of HK\$180,000. Such remuneration was determined in accordance with, and covered by, the aforesaid letter of appointment. Mr. Lee is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

**APPENDIX II BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS
PROPOSED FOR RE-ELECTION AT THE AGM**

Mr. Chan Hon Wah

Mr. Chan Hon Wah (陳漢華), aged 68, is an independent non-executive Director of our Company. Mr. Chan has more than 39 years of experience in the field of accounting, corporate finance and management. Mr. Chan obtained a Master's degree in Business Administration (Investment and Finance) from The University of Hull in June 1997. He was admitted as a member of the Certified General Accountants Association of Canada in September 1992. He was admitted as a chartered professional accountant member of the Chartered Professional Accountants of British Columbia, Canada in June 2015.

Mr. Chan worked in The Bank of Nova Scotia from January 1979 to June 1986 and then again from April 1989 to July 2007 and his last position was vice-president. Mr. Chan was a chief operations officer of EPI (Holdings) Limited, a company listed on the Stock Exchange (Stock Code: 0689) with principal business of exploration and production of oil and gas from August 2007 to February 2011, a finance director of DSC Administration Limited, which was a furniture and electrical appliance retailer, from February 2012 to March 2013, and an executive director of China Kingstone Mining Holdings Limited, a company listed on the Stock Exchange (stock code: 1380) with principal business of production and sale of marble and marble-related products from July 2015 to December 2015. Mr. Chan was the chief executive officer of Best New Management Ltd from August 2015 to June 2018 with principal business of operation of a restaurant group under the brand name of Tamjai Samgor Mixian.

Mr. Chan has entered into a letter of appointment with the Company pursuant to which he has agreed to act as an independent non-executive Director for a fixed term of one year commencing from 16 July 2019. Mr. Chan is entitled to an annual remuneration of HK\$180,000. Such remuneration was determined in accordance with, and covered by, the aforesaid letter of appointment. Mr. Chan is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

NOTICE OF ANNUAL GENERAL MEETING



KELFRED HOLDINGS LIMITED

恒發光學控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1134)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of Kelfred Holdings Limited (the “Company”) will be held at Room 1606, 16/F, Block B, New Trade Plaza, 6 On Ping Street, Sha Tin, New Territories, Hong Kong on Friday, 22 May 2020 at 11:00 a.m. for the following purposes:

The capitalised terms used herein shall have the same meaning ascribed to them in the circular of the Company dated 20 April 2020.

ORDINARY RESOLUTIONS

As ordinary business to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and independent auditor of the Company and its subsidiaries for the year ended 31 December 2019.
2. To re-appoint RSM Hong Kong as the auditor of the Company and to authorise the Board of the Company to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

3.
 - (a) To re-elect Mr. Kwok Kwan Fai as an executive Director of the Company and authorise the Board of the Company to fix his remuneration.
 - (b) To re-elect Mr. Kwok Kwan Yu as an executive Director of the Company and authorise the Board of the Company to fix his remuneration.
 - (c) To re-elect Mr. Kwok Mau Kwan as a non-executive Director of the Company and authorise the Board of the Company to fix his remuneration.
 - (d) To re-elect Ms. Chan Yin Wah as a non-executive Director of the Company and authorise the Board of the Company to fix her remuneration.
 - (e) To re-elect Mr. Chu Kin Ming as an independent non-executive Director of the Company and authorise the Board of the Company to fix his remuneration.
 - (f) To re-elect Mr. Lee Wai Ming as an independent non-executive Director of the Company and authorise the Board of the Company to fix his remuneration.
 - (g) To re-elect Mr. Chan Hon Wah as an independent non-executive Director of the Company and authorise the Board of the Company to fix his remuneration.

4. **“THAT:**
 - (a) a general unconditional mandate be and is hereby given to the Directors to exercise all powers of the Company to allot, issue and deal with shares of the Company or securities convertible into such shares or options, warrants or similar rights to subscribe for any such shares or such convertible securities (including the power to make or grant any offers, agreements or options (including bonds, warrants and debentures convertible into Shares of the Company) and rights of exchange or conversion which would or might require the exercise of all such powers) subject to a restriction that the aggregate number of securities allotted or agreed to be allotted, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company (the **“Articles”**);
 - (iii) the exercise of options granted under any share option scheme or other similar arrangement adopted by the Company for the grant or issue to the employees, officers, directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company;

NOTICE OF ANNUAL GENERAL MEETING

(iv) the exercise of any right of subscription or conversion under the terms of any bonds, warrants or debentures which may be issued by the Company or any securities which are convertible into shares of the Company; or

(v) a specific authority granted by the Shareholders in general meeting,

shall not exceed 20% of the number of the issued shares of the Company as at the date of the passing of this resolution;

(b) the aforesaid mandate shall authorise the directors of the Company to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers either during or after the end of period mentioned in paragraph (c) below.

(c) the aforesaid mandate shall remain in effect until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever occurs first; and

(d) for the purpose of this resolution, “**Right Issue**” means an offer of shares of the Company or offer or issue of warrants or options or other securities giving rights to subscribe for the shares of the Company open for a period fixed by the Directors to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical problems, restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.”

5. “**THAT:**

(a) a general unconditional mandate be and is hereby given to the Directors authorising them to exercise all the powers of the Company to purchase or repurchase on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of the Securities on the Main Board of the Stock Exchange or of any other stock exchange as amended from time to time, shares of the Company not exceeding 10% of the number of the issued shares of the Company as at the date of the passing of this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aforesaid mandate shall remain in effect until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever occurs first.”

6. **“THAT:**

conditional upon the ordinary resolutions numbered 4 and numbered 5 as set out in the notice convening the AGM being duly passed (with or without amendments), the general unconditional mandate granted to the Directors to exercise all powers of the Company to allot, issue and deal with shares of the Company pursuant to the resolution set out in the said resolution numbered 4 be and is hereby extended by the addition to the number of shares of the Company which may be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with by the Directors pursuant to such general mandate of an amount representing the number of issued shares of the Company purchased or repurchased by the Company pursuant to the general mandate referred to in the said resolution numbered 5, provided that such amount shall not exceed 10% of the aggregate number of the issued shares of the Company at the date of passing of the said resolutions.”

SPECIAL RESOLUTION

7. To consider and, if thought fit, pass with or without amendments, the following resolution as special resolution of the Company:

“THAT:

- (a) The declaration and payment of a final dividend of HK2.0 cents per Share for the year ended 31 December 2019 (the **“Final Dividend”**) entirely out of the Share Premium Account to the Shareholders whose names appear on the Register of Members at the close of business on Monday, 1 June 2020, being the record date for determination of entitlement to the Final Dividend, be and is hereby approved; and
- (b) any Director be and is hereby authorised to take such action, do such things and execute such further documents as the director may at his absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the payment of the Final Dividend.”

By Order of the Board
KELFRED HOLDINGS LIMITED
Mr. Kwok Kwan Fai
Chairman and Executive Director

Hong Kong, 20 April 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and vote in his/her stead. A member who is the holder of two or more shares of the Company may appoint more than one proxy. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the AGM and voting in person should he/she so wish. In such event, his/her form of proxy will be deemed to be revoked.
2. A form of proxy for the AGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed (i.e. Wednesday, 20 May 2020 at 11:00 a.m.) for holding the AGM or any adjourned meeting.
3. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

To ascertain the members' entitlement to attend and vote at the AGM, the register of members will be closed from Tuesday, 19 May 2020 to Friday, 22 May 2020, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to be eligible to attend and vote at the meeting, all completed share transfer documents, accompanied by the relevant share certificates, shall be lodged with the Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 May 2020.

4. An explanatory statement containing further details regarding resolution numbered 5 above is set out in Appendix I to this circular of which this notice of AGM forms part.
5. Details of the retiring directors proposed to be re-elected as Directors are set out in Appendix II to this circular.
6. Members of the Company or their proxies shall produce documents of their proof of identity when attending the AGM.
7. If Typhoon signal number 8 or above, or "extreme conditions" caused by super typhoons or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on the website of Company at www.kelfred.com.hk and on the HKEXnews website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
8. Arrangements for coronavirus disease

Taking into account of the recent development of the epidemic caused by coronavirus disease COVID-19, the Company will implement the following prevention and control measures at the AGM against the epidemic to protect the shareholders from the risk of infection:

- (i) Compulsory body temperature check will be conducted for every shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius may not be admitted to the venue.
- (ii) Every shareholder or proxy is required to wear surgical face mask throughout the meeting.
- (iii) No refreshment will be served.

Furthermore, the Company wishes to advise the shareholders, particularly shareholders who are subject to quarantine in relation to the coronavirus disease COVID-19, that they may appoint any person or the chairman of the AGM as a proxy to vote on the resolutions, instead of attending the AGM in person.