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

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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)**

**PROPOSALS FOR**

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;  
(2) RE-ELECTION OF RETIRING DIRECTORS;  
(3) RE-APPOINTMENT OF AUDITOR; AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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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 Monday, 29 May 2023 at 11:00 a.m. is set out on pages 19 to 23 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 and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. Saturday, 27 May 2023 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.

28 April 2023

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>APPENDIX I — EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE</b> .....	10
<b>APPENDIX II — BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION AT THE AGM</b> .....	15
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	19

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## DEFINITIONS

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*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 Monday, 29 May 2023 at 11:00 a.m., the notice of which is set out on pages 19 to 23 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 19 to 23 of this circular
“Articles”	the amended and restated articles of association of the Company adopted on 27 May 2022, 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 Act”	the Companies Act, Cap 22 of Cayman Islands, as amended, modified and supplemented or otherwise modified 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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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”	24 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum”	the second amended and restated memorandum of association of the Company (as amended, supplemented or otherwise modified from time to time)
“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
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“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

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LETTER FROM THE BOARD

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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)**

*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. Hong Sze Lung

Mr. Chan Hon Wah

*Registered Office:*

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park,

P.O. Box 1350, 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, 28 April 2023

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR**

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;**

**(2) RE-ELECTION OF RETIRING DIRECTORS;**

**(3) RE-APPOINTMENT OF AUDITOR; AND**

**(4) 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:

- (i) the granting of the Issue Mandate to the Directors;
- (ii) the granting of the Repurchase Mandate to the Directors;

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## LETTER FROM THE BOARD

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- (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; and
- (v) the re-appointment of the auditor of the Company.

### **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 at the annual general meeting held on 27 May 2022. 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 Shares. 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 Shares 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 AGM Notice.

### **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 at the annual general meeting held on 27 May 2022. 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.

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## **LETTER FROM THE BOARD**

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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 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 AGM Notice.

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 and 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 Shares as at the Latest 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 AGM Notice.

### **RE-ELECTION OF RETIRING DIRECTORS**

Pursuant to Article 108 of the Articles, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not three or a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors. The Directors to retire in each year shall be those who



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## LETTER FROM THE BOARD

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have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. As such, Mr. Kwok Kwan Fai (“**Mr. Joe Kwok**”), Ms. Chan Yin Wah (“**Mrs. Kwok**”) and Mr. Hong Sze Lung (“**Mr. Hong**”) shall retire by rotation and, being eligible, will offer themselves for re-election 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 30 March 2023, the nomination committee of the Board (the “**Nomination Committee**”), having reviewed the composition of the Board, nominated Mr. Joe Kwok, Mrs. Kwok and Mr. Hong to the Board for it to recommend to Shareholders for re-election at the AGM.

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 2022 annual report of the Company.

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

Mr. Hong, who is proposed to be re-elected as an independent non- executive Director, 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. Hong is more particularly set out in Appendix II to this circular.

On 30 March 2023, the Board accepted the Nomination Committee’s nominations and recommended Mr. Joe Kwok to stand for re-election as an executive Director, Mrs. Kwok to stand for re-election as a non-executive Director and Mr. Hong to stand for re-election as an independent non-executive Director by Shareholders at the AGM. The Board considers that the re-election of each of Mr. Joe Kwok, Mrs. Kwok and Mr. Hong as Directors is in the best interest of the Company and Shareholders as a whole. Each of Mr. Joe Kwok, Mrs. Kwok and Mr. Hong abstained from the discussion and voting at the Board meeting regarding their respective nominations.

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## LETTER FROM THE BOARD

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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 2022 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 AGM Notice.

### 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, 23 May 2023 to Monday, 29 May 2023 (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 Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 22 May 2023.

### 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 Monday, 29 May 2023 at 11:00 a.m. is set out on pages 19 to 23 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 Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. Saturday, 27 May 2023 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.

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## LETTER FROM THE BOARD

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### 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 AGM Notice, including, among other things, 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*

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## **APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE**

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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 and Articles, the applicable laws of Cayman Islands and all other applicable laws, rules and regulations, as the case may be.

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## **APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE**

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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 Act, 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 Act, out of capital.

As compared with the position disclosed in the audited consolidated financial statements of the Group as at 31 December 2022, 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.

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**APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE**

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**6. CONSEQUENCES UNDER THE TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT**

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	275,952,000	55.19%	61.32%
Mr. Kwok Kwan Fai (Note 1)	Interest in controlled corporation	275,952,000	55.19%	61.32%
Ms. Lee Man Yee Joanna ("Ms. Lee") (Note 2)	Interest of spouse	275,952,000	55.19%	61.32%
Mr. Ken Kwok ("Mr. Ken Kwok") (Note 1)	Interest in controlled corporation	275,952,000	55.19%	61.32%
Ms. Siu Fong Ting Tammy ("Ms. Siu") (Note 3)	Interest of spouse	275,952,000	55.19%	61.32%

## APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

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
Ms. Chan Yin Wah (Note 4)	Interest in controlled corporation; interest held jointly with another person	275,952,000	55.19%	61.32%
Mr. Kwok Man Kwan ("Mr. Kwok") (Note 5)	Interest of spouse	275,952,000	55.19%	61.32%

*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. 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 61.32% and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

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## APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

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The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

### 7. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2022</b>		
April	0.94	0.73
May	0.77	0.50
June	0.64	0.45
July	0.65	0.48
August	0.80	0.65
September	1.20	0.61
October	1.09	0.71
November	0.84	0.64
December	0.81	0.67
<b>2023</b>		
January	0.80	0.62
February	0.72	0.61
March	0.64	0.49
April (up to the Latest Practicable Date)	0.65	0.47

### 8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.



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

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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 within the meaning of 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)(h) to (v) 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 49, is an executive Director and the Chairman of the Board. Mr. Joe Kwok joined the Group in April 1998 and has over 22 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 the Group.

Mr. Joe Kwok obtained his Bachelor’s degree in Business (Accounting) from Monash University in August 1995. Prior to joining the 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.

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

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Mr. Joe Kwok has been holding directorship in certain subsidiaries of the Company. Mr. Joe Kwok is a director of Conquer Holding Limited (a company which is interested in 59.19% shareholding interest of the Company as at the date of this circular).

Mr. Joe Kwok is the son of Mr. Kwok Mau Kwan and Mrs. Kwok, who are non-executive Directors, and is the brother of Mr. Kwok Kwan Yu (“**Mr. Ken Kwok**”), who is an executive Director.

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, and shall continue thereafter, subject to termination by either party in accordance with the terms thereof. Subject to annual review by the remuneration committee of the Company and the Board, Mr. Joe Kwok is entitled to an annual remuneration of HK\$3,250,000 and discretionary bonus, which is determined with reference to his qualification, experience, level of responsibilities undertaken and prevailing market conditions. 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. Ken Kwok) is interested in 275,952,000 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.

### NON-EXECUTIVE DIRECTORS

#### Ms. Chan Yin Wah

Ms. Chan Yin Wah (陳燕華) (“**Mrs. Kwok**”), aged 72, is a non-executive Director. She joined the Group in August 1987 and has over 32 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 the 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, mother of Mr. Joe Kwok and Mr. Ken Kwok, both being the executive Directors.

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, and shall continue thereafter, subject to termination by either party in accordance with the terms thereof. Subject to annual review by the remuneration committee of the Company and the Board, Mrs. Kwok is entitled to an annual remuneration of HK\$468,000 and discretionary bonus,

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

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which is determined with reference to her qualification, experience, level of responsibilities undertaken and prevailing market conditions. Mrs. Kwok is subject to retirement by rotation and re-election at the AGM in accordance with the Articles.

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Mr. Hong Sze Lung (康仕龍), aged 51, was appointed as an independent non-executive Director on 1 September 2020. Mr. Hong has over 25 years of working experience and extensive knowledge in the fields of auditing, corporate finance, corporate recovery, investments as well as corporate investor relations in Hong Kong and Mainland China.

Mr. Hong commenced his career in PricewaterhouseCoopers and worked in the firm for approximately 10 years in the field of auditing, corporate finance & recovery until he left the firm in November 2005 as a senior manager. For the period from March 2006 to October 2011, Mr. Hong then served at senior management level respectively in a private equity investment company (as Senior Vice President) as well as two companies listed on the Main Board of the Stock Exchange, being Soundwill Holdings Limited (stock code: 0878) and Silver Base Group Holdings Limited (stock code: 0886), both as Corporate Finance Director. For the period from September 2012 to December 2016, Mr. Hong worked in Wealth Glory Holdings Limited (stock code: 8269), a company listed on the GEM of the Stock Exchange, as Chief Operation Officer and was subsequently promoted to Executive Director, Chief Executive Officer and Chairman. For the period from July 2018 to June 2020, Mr. Hong worked in Sincere Watch (Hong Kong) Limited (stock code: 0444), a company listed on the Main Board of the Stock Exchange, as Chief Financial Officer.

Mr. Hong was an independent non-executive director of Ping An Securities Group (Holdings) Limited (formerly known as Madex International (Holdings) Limited), a company delisted from the Main Board of Stock Exchange (previous stock code: 0231) on 7 November 2022, for the period from May 2014 to November 2015, an independent non-executive director of Evershine Group Holdings Limited, a company delisted from the Main Board of Stock Exchange (previous stock code: 8022) on 17 October 2022, for the period from January 2021 to March 2021, an independent non-executive director of Silver Base Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 886) for the period from March 2022 to June 2022, and an independent non-executive director of Huiyin Holdings Group Limited, a company delisted from the Main Board of the Stock Exchange (previous stock code: 1178) on 22 August 2022, for the period from March 2022 to August 2022. Mr. Hong is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of

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

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Chartered Certified Accountants and a chartered financial analyst of the CFA Institute. In 1995, Mr. Hong obtained a Bachelor of Arts (Hons) Degree in Accountancy from the Hong Kong Polytechnic University.

Mr. Hong 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 three year commencing from 1 September 2021 and shall continue thereafter, subject to termination by either party in accordance with the terms thereof. Mr. Hong is entitled to an annual director's fee of HK\$180,000, which is determined with reference to his qualification, experience, level of responsibilities undertaken and prevailing market conditions.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**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 Monday, 29 May 2023 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 28 April 2023.

#### **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 2022.
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.
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 Ms. Chan Yin Wah as a non-executive director of the Company and authorise the Board of the Company to fix her remuneration.
  - (c) To re-elect Mr. Hong Sze Lung 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

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## NOTICE OF ANNUAL GENERAL MEETING

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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;
- (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

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## NOTICE OF ANNUAL GENERAL MEETING

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(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
- (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

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## NOTICE OF ANNUAL GENERAL MEETING

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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.”

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

Hong Kong, 28 April 2023

*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 Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed (i.e. Saturday, 27 May 2023 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, 23 May 2023 to Monday, 29 May 2023, 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 Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 May 2023.

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.



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## NOTICE OF ANNUAL GENERAL MEETING

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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](http://www.kelfred.com.hk) and on the HKEXnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify shareholders of the Company of the date, time and place of the rescheduled meeting.