
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kenford Group Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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建福集團控股有限公司
KENFORD GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 464)

**GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM (as defined in this circular) to be held at The Ballroom Four, 18th Floor, Hotel Miramar, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 29 August 2008 at 10:30 a.m. is set out on pages 14 to 18 of this circular. A form of proxy for use at the AGM is also enclosed.

Whether or not you are able to attend the AGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person in the AGM or any adjournment thereof if you so wish and in such event, the form of proxy will be deemed to be revoked.

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DEFINITIONS

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

“Achieve Best”	Achieve Best Limited, a company incorporated in the British Virgin Islands on 28 October 2004 with limited liability, which is wholly and beneficially owned by Mr Lam Wai Ming, the Executive Director and the Chairman of the Board, and was as at the Latest Practicable Date holding 40,800,000 Shares representing 9.4% of the issued share capital of the Company
“AGM”	an annual general meeting of the Company to be held at The Ballroom Four, 18th Floor, Hotel Miramar, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 29 August 2008 at 10:30 a.m., or any adjournment thereof
“Articles”	the articles of association of the Company
“associate”	shall have the meaning ascribed to it in the Listing Rules
“Beaute”	Beaute Inc, a company incorporated in the British Virgin Islands on 28 October 2004 with limited liability and owned as to (i) 50% by Apex Prima Limited, a company wholly and beneficially owned by Mr Lam Wai Ming, the Executive Director and the Chairman of the Board, and (ii) the balance of 50% by Potentasia Holdings Inc, a company wholly and beneficially owned by Mr Tam Chi Sang, the Executive Director and the Managing Director of the Company, respectively, and was as at the Latest Practicable Date holding 204,000,000 Shares representing 47.1% of the issued share capital of the Company
“Board”	the board of Directors (including both Executive and Independent Non-Executive Directors)
“Company”	Kenford Group Holdings Limited (建福集團控股有限公司), a company incorporated in the Cayman Islands on 10 November 2004 with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	shall have the meaning ascribed to it in the Listing Rules
“Directors”	directors (including both Executive and Independent Non-Executive Directors) of the Company
“Group”	the Company and its subsidiaries

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time
“Issuance Mandate”	as defined in paragraph 2(a) of the Letter from the Board in this circular
“Latest Practicable Date”	25 July 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Realchamp”	Realchamp International Inc, a company incorporated in the British Virgin Islands on 28 October 2004 with limited liability, which is wholly and beneficially owned by Mr Tam Chi Sang, the Executive Director and the Managing Director of the Company, and was as at the Latest Practicable Date holding 40,800,000 Shares representing 9.4% of the issued share capital of the Company
“Repurchase Mandate”	as defined in paragraph 2(b) of the Letter from the Board in this circular
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	share(s) of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



建福集團控股有限公司
KENFORD GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 464)

Executive Directors:

Mr LAM Wai Ming (*Chairman*)
Mr TAM Chi Sang (*Managing Director*)

Independent Non-executive Directors:

Mr CHIU Fan Wa
Mr LI Chi Chung
Mr LI Tat Wah

Registered office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Rooms 1106-8, Riley House
88 Lei Muk Road, Kwai Chung
New Territories, Hong Kong

31 July 2008

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolutions to be proposed at the forthcoming AGM to approve (i) the granting of the Issuance Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate and (iv) the re-election of retiring Directors.

LETTER FROM THE BOARD

2. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 7 September 2007, general mandates were granted to the Directors to exercise the powers of the Company to issue Shares and to repurchase Shares respectively. Such general mandates will lapse at the conclusion of the AGM.

It will therefore be proposed at the forthcoming AGM to approve the granting of new general mandates to the Directors to exercise the power of the Company:–

- (a) to allot, issue and deal with new Shares of an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (“**Issuance Mandate**”);
- (b) to repurchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (“**Repurchase Mandate**”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 433,336,000 Shares. Subject to the passing of the proposed ordinary resolution for approving the Issuance Mandate at the AGM and on the basis that there is no change in the issued and paid up share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Issuance Mandate, the Company would be allowed under the Issuance Mandate to issue and/or to make or grant offers, agreements and options which might require the issue of a maximum of 86,667,200 Shares during the period in which the Issuance Mandate remains in force.

The Issuance Mandate and Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in ordinary resolutions numbered 5.(A)(d) and 5.(B)(c) set out in the notice of AGM. A resolution authorizing the extension of the Issuance Mandate to include the aggregate nominal amount of such Shares repurchased (if any) under the Repurchase Mandate will be proposed as ordinary resolution numbered 5.(C) set out in the notice of AGM. With reference to the Issuance Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution for granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprised two Executive Directors, Mr Lam Wai Ming (Chairman), Mr Tam Chi Sang (Managing Director) and three Independent Non-Executive Directors, Mr Chiu Fan Wa, Mr Li Chi Chung and Mr Li Tat Wah.

According to Article 87 of the Articles, at each annual general meeting one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall retire at least once in every three years. A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that 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.

At the AGM, Mr Lam Wai Ming and Mr Tam Chi Sang will retire from office by rotation in accordance with Article 87 of the Articles and, being eligible, offer themselves for re-election.

Pursuant to Rule 13.74 of the Listing Rules, the biographical details of Mr Lam Wai Ming and Mr Tam Chi Sang are set out in Appendix II to this circular.

4. AGM AND PROXY ARRANGEMENT

A notice convening the AGM to be held on Friday, 29 August 2008 is set out on pages 14 to 18 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the granting of the Issuance Mandate and the Repurchase Mandate, the extension of the Issuance Mandate by the addition thereto of the aggregate nominal amount of the Shares repurchased pursuant to the Repurchase Mandate and the re-election of the retiring Directors.

A form of proxy for use at the AGM is enclosed with this circular. You are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof, whether or not you are able to attend at the AGM in person. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy will be deemed to be revoked.

LETTER FROM THE BOARD

5. RIGHT TO DEMAND A POLL

The following paragraphs set out the procedures by which the Shareholders may demand a poll at a general meeting of the Company (including the AGM) pursuant to the Articles:-

Pursuant to Article 66 of the Articles, a resolution put to the vote at every general meeting of the Company shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

6. RECOMMENDATION

The Directors believe that the granting and extension of the Issuance Mandate, the granting of the Repurchase Mandate and the re-election of retiring Directors are in the interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant ordinary resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors jointly and severally accept responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement of the Repurchase Mandate) and Appendix II (Details of Directors Proposed for Re-election) to this circular.

Yours faithfully
For and on behalf of
KENFORD GROUP HOLDINGS LIMITED
LAM WAI MING
Chairman

This is the explanatory statement required under the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Repurchase Mandate.

1. STOCK EXCHANGE RULES FOR REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, amongst which it is provided that all proposed repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by Shareholders by an ordinary resolution, either by way of a general mandate, or by a special approval in relation to specific transactions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 433,336,000 Shares. Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and on the basis that no further securities of the Company are issued and no further Shares are repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 43,333,600 Shares (representing 10% of each of the Shares in issue as at the date of granting of the Repurchase Mandate).

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders. The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to do so when appropriate.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the laws of the Cayman Islands, the Listing Rules and/or any other applicable laws. Repurchases pursuant to the Repurchase Mandate will be made out of the profits of the Company or the proceeds of a fresh issue of Shares made for such purpose or, subject to the Articles and the laws of the Cayman Islands, out of capital. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided out of the profits of the Company or out of sums standing to the credit of the share premium account of the Company or, subject to the Articles and the laws of the Cayman Islands, out of capital.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2008 in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the view of the Directors are from time to time appropriate for the Company.

5. UNDERTAKING OF THE DIRECTORS

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

6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge and belief having made all reasonable enquires, any of their associates, has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

As at the Latest Practicable Date, no connected person of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company or its subsidiaries nor has he/she undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

7. EFFECT OF TAKEOVERS CODE

If on the exercise of the powers to repurchase Shares 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, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Beaute, Achieve Best and Realchamp were together effectively interested in 285,600,000 Shares representing the aggregate interests of 66% of the issued share capital of the Company. As Mr Lam Wai Ming, a Director, is the ultimate beneficial owner of the entire issued share capital of Achieve Best and 50% of the issued share capital of Beaute and Mr Tam Chi Sang, a Director, is the ultimate beneficial owner of the entire issued share capital of Realchamp and 50% of the issued share capital of Beaute, as at the Latest Practicable Date, each of Mr Lam Wai Ming and Mr Tam Chi Sang was effectively interested in 33% of the issued share capital of the Company. On the basis that no Shares are issued or repurchased prior to the date of the AGM, in the event that the

Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the aggregate interests of Beaute, Achieve Best, Realchamp, Mr Lam Wai Ming and Mr Tam Chi Sang, being the parties acting in concert in the Company would be increased to approximately 73.2% of the total issued share capital of the Company and such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Based on the existing shareholding of Beaute, Achieve Best and Realchamp and assuming that there is no further issue of Shares between the Latest Practicable Date and the date of a repurchase, the exercise of the Repurchase Mandate in whole or in part will not result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%. Save as disclosed above, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

8. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange, respectively, in each of the previous twelve months and in July 2008 (up to the Latest Practicable Date) were as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
2007		
July	0.8500	0.4300
August	0.6800	0.4000
September	0.8100	0.5600
October	0.6700	0.5000
November	0.6500	0.5500
December	0.7400	0.6000
2008		
January	0.6600	0.5000
February	0.5000	0.2800
March	0.3150	0.2400
April	0.2900	0.2500
May	0.2950	0.2600
June	0.3100	0.2600
July (up to the Latest Practicable Date)	0.3000	0.2600

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Pursuant to the Listing Rules, stated below are the details of the Directors who will retire and be eligible for re-election at the AGM.

Mr Lam Wai Ming, aged 49, has been the Executive Director and Chairman of the Company since January 1989. He is responsible for supervision and management of the sales and marketing affairs of the Group

Mr Lam has over 20 years of experience in trading and manufacturing of electrical appliances. He is the brother of Mr Lam Wai Hung, the Administration Manager of the Group.

Mr Lam did not hold any directorship in any other listed companies in the last three years.

As at the Latest Practicable Date, Mr Lam was interested in an aggregate of 244,800,000 Shares held by Achieve Best Limited (“Achieve Best”) and Beaute Inc (“Beaute”) respectively within the meaning of Part XV of the SFO as to:

- (a) 40,800,000 Shares were held by Achieve Best which was wholly-owned by Mr Lam and he was the sole director of Achieve Best. Mr Lam was therefore taken to be interested in the 40,800,000 Shares that Achieve Best was interested;
- (b) 204,000,000 Shares were held by Beaute which was owned as to 50% by Apex Prima Limited (“Apex Prima”) and 50% by Potentasia Holdings Inc (“Potentasia”). Apex Prima was wholly-owned by Mr Lam and Potentasia was wholly-owned by Mr Tam Chi Sang, the Managing Director of the Company. Mr Lam was also a director of Beaute and the sole director of Apex Prima. Mr Lam was therefore taken to be interested in the 204,000,000 Shares that Beaute was interested.

Save as disclosed above, Mr Lam does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company. Mr Lam has confirmed that no information is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

On 28 March 2008, a director’s service agreement was entered into between the Company and Mr Lam for a fixed term from 16 June 2008 to 12 March 2011 and continuing thereafter on an annual basis until terminated in accordance with the terms of the agreement, pursuant to which Mr Lam is entitled to an annual salary of HK\$4,200,000 (subject to an annual review by the Board), the reimbursement of (i) all travelling, hotel, entertainment and other out-of pocket expenses reasonably incurred and (ii) all taxation (including salary tax payable in Hong Kong and the PRC) and also the medical benefits, personal accident insurance and directors/officers liability insurance provided by the Company. The Company provides a company car with a private driver to be used by Mr Lam in Hong Kong and the PRC for the discharge of his duties and also a domestic helper for use by Mr Lam and his family members at Mr Lam’s residence. The Company shall pay Mr Lam the business trip allowance at a rate of HK\$3,000 per day for Mr Lam’s business trips outside Hong Kong. In addition, Mr Lam may, at the discretion of the Board, be granted share options entitling him

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

to subscribe for Shares under any share option scheme from time to time adopted by the Company and is also entitled a discretionary performance bonus of an amount to be determined by the Board. The emoluments of Mr Lam are determined on the basis of his role in the Group, the extent of his responsibilities, experience and performance and the prevailing market rates. The service agreement may be terminated by not less than three months' prior notice in writing served by either party on the other terminating on or after the fixed term. The Board will consider whether the service agreement should continue three months before the expiry of the fixed term. One-third of the Directors (including Mr Lam for the purpose of the forthcoming AGM) is subject to retirement by rotation and re-election at each annual general meeting of the Company pursuant to the Articles. Save as disclosed above, there are no other matters in relation to the re-election of Mr Lam that need to be brought to the attention of the Shareholders.

Mr Tam Chi Sang, aged 48, has been the Managing Director of the Company since July 1991. Mr Tam is responsible for supervision and management of the production, quality control, engineering and design affairs of the Group.

Mr Tam has over 20 years of experience in the trading and manufacturing of electrical appliances. Mr Tam is also the director of Hong Kong Electrical Appliances Manufacturers Association.

Mr Tam did not hold any directorship in any other listed companies in the last three years.

As at the Latest Practicable Date, Mr Tam was interested in an aggregate of 244,800,000 Shares held by Realchamp International Inc ("Realchamp") and Beaute Inc ("Beaute") respectively within the meaning of Part XV of the SFO as to:

- (a) 40,800,000 Shares were held by Realchamp which was wholly-owned by Mr Tam and he was the sole director of Realchamp. Mr Tam was therefore taken to be interested in the 40,800,000 Shares that Realchamp was interested;
- (b) 204,000,000 Shares were held by Beaute which was owned as to 50% by Apex Prima and 50% by Potentasia. Apex Prima was wholly-owned by Mr Lam Wai Ming, the chairman of the Company and Potentasia was wholly-owned by Mr Tam. Mr Tam was also a director of Beaute and the sole director of Potentasia. Mr Tam was therefore taken to be interested in the 204,000,000 Shares that Beaute was interested.

Save as disclosed above, Mr Tam does not have any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company. Mr Tam has confirmed that no information is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

On 28 March 2008, a director's service agreement was entered into between the Company and Mr Tam for a fixed term from 16 June 2008 to 12 March 2011 and continuing thereafter on an annual basis until terminated in accordance with the terms of the agreement, pursuant to which Mr Tam is entitled to an annual salary of HK\$3,000,000 (subject to an annual review by the Board), the reimbursement of (i) all travelling, hotel, entertainment and other out-of pocket expenses reasonably incurred and (ii) all taxation (including salary tax payable in Hong Kong and the PRC) and also the medical benefits, personal accident insurance and directors/officers liability insurance provided by the Company. The Company provides a company car with a private driver to be used by Mr Tam in Hong Kong and the PRC for the discharge of his duties and also a domestic helper for use by Mr Tam and his family members at Mr Tam's residence. The Company shall pay Mr Tam the business trip allowance at a rate of HK\$3,000 per day for Mr Tam's business trips outside Hong Kong. In addition, Mr Tam may, at the discretion of the Board, be granted share options entitling him to subscribe for Shares under any share option scheme from time to time adopted by the Company and is also entitled a discretionary performance bonus of an amount to be determined by the Board. The emoluments of Mr Tam are determined on the basis of his role in the Group, the extent of his responsibilities, experience and performance and the prevailing market rates. The service agreement may be terminated by not less than three months' prior notice in writing served by either party on the other terminating on or after the fixed term. The Board will consider whether the service agreement should continue three months before the expiry of the fixed term. One-third of the Directors (including Mr Tam for the purpose of the forthcoming AGM) is subject to retirement by rotation and re-election at each annual general meeting of the Company pursuant to the Articles. Save as disclosed above, there are no other matters in relation to the re-election of Mr Tam that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



建福集團控股有限公司 KENFORD GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 464)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Kenford Group Holdings Limited (the “**Company**”) will be held at The Ballroom Four, 18th Floor, Hotel Miramar, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 29 August 2008 at 10:30 a.m. (the “**AGM**”) for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2008.
2. To declare a final dividend.
3. To re-elect directors and to authorize the board of directors to fix their remuneration.
4. To re-appoint auditors of the Company and to authorize the board of directors to fix their remuneration.

SPECIAL BUSINESS

5. As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(A) “**THAT**

- (a) subject to paragraph 5.(A)(c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph 5.(A)(d) below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “**Shares**”), and to make or grant offers, agreements and options, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 5.(A)(a) above shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options, which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs 5.(A)(a) above, otherwise than pursuant to:–
- (i) a Rights Issue (as defined in paragraph 5.(A)(d) below);
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) an issue of any Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue Shares or rights to acquire Shares; or
 - (iv) an scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company,

shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval to the Directors in paragraphs 5.(A)(a) and 5.(A)(b) above shall be limited accordingly;

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company (**“Shareholders”**) in general meeting;

“Rights Issue” means the allotment, issue or grant of Shares or other securities which would or might require Shares to be allotted and issued pursuant to an offer open for a period fixed by the Directors to the Shareholders and (where appropriate) the holders of other equity securities of the Company entitled to such offer, whose names appear on the register of members and/or (where appropriate) the register of holders of such other securities of the Company on a fixed record date

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in proportion to their holdings as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any relevant territory).”

(B) **“THAT**

(a) subject to paragraph 5.(B)(b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 5.(B)(c) below) of all the powers of the Company to repurchase its Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities of the Company may be listed and recognized for this purpose by the Securities and Futures Commission in Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases and, subject to and in accordance with all applicable laws and/or requirements of the Rules Governing the Listing of Securities on the Stock Exchange or the listing rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of share capital which may be repurchased by the Company pursuant to paragraph 5.(B)(a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said approval granted under paragraph 5.(B)(a) shall be limited accordingly;

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.”

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(C) “**THAT** conditional upon the passing of Resolutions 5.(A) and 5.(B) as set out in the notice convening this AGM, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with the Shares pursuant to Resolution 5.(A) above be and is hereby extended by the addition to the aggregate nominal amount of the Shares of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 5.(B) above, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of share capital of the Company in issue at the date of passing this Resolution.”

By order of the Board
KENFORD GROUP HOLDINGS LIMITED
TSE WUN YING
Company Secretary

Hong Kong, 31 July 2008

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Rooms 1106-8, Riley House
88 Lei Muk Road, Kwai Chung
New Territories, Hong Kong

Notes:

1. A member entitled to attend and vote at the AGM convened by the above notice is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any Share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such Share as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company (“**Register of Members**”) in respect of such Share shall alone be entitled to vote in respect thereof.
3. To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting. Completion and return of the form of proxy will not preclude any member from attending the AGM or any adjournment thereof and voting in person if he so wishes and in such event, the form of proxy will be deemed to be revoked.

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4. The Register of Members of the Company will be closed from Tuesday, 26 August 2008 to Friday, 29 August 2008, both days inclusive, during which period no transfer of Shares issued by the Company will be registered. In order to qualify for receiving the proposed final dividend and attending/voting at the AGM, Shareholders are reminded to ensure that all transfers of Shares duly accompanied by the relevant Share certificates and the appropriate transfer forms must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 25 August 2008.
5. In accordance with the articles of association of the Company, Mr Lam Wai Ming and Mr Tam Chi Sang will retire by rotation at the AGM and, being eligible, offer themselves for re-election. Details of the aforesaid Directors have been set out in the Circular of the Company dated 31 July 2008.
6. An explanatory statement containing further details in respect of Resolution 5.(B) is included in the Circular of the Company dated 31 July 2008.

As at the date of this notice, the Board of the Company comprises two executive Directors, Mr Lam Wai Ming (Chairman), Mr Tam Chi Sang (Managing Director) and three independent non-executive Directors, Mr Chiu Fan Wa, Mr Li Chi Chung and Mr Li Tat Wah.