建 福 集 團 控 股 有 限 公 司
KENFORD GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00464)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012

On behalf of the board of directors (the "Board") of Kenford Group Holdings Limited (the "Company"), I am pleased to present the audited financial results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2012 (the "Year") together with the comparative figures for the prior year. These audited financial results for the Year have been reviewed by the audit committee of the Company (the "Audit Committee").

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012

	Notes	**2012** **HK$'000**	2011 *HK$'000*
Turnover	*2&3*	634,357	655,541
Cost of sales		(519,877)	(520,334)
Gross profit		114,480	135,207
Other income, gains and losses	*4*	12,491	14,343
Distribution costs		(11,830)	(11,537)
Administrative expenses		(69,539)	(59,493)
Operating profit		45,602	78,520
Finance income		490	171
Finance costs		(1,474)	(1,280)
Profit before income tax expense	*5*	44,618	77,411
Income tax expense	*6*	(13,752)	(11,755)
Profit for the year, attributable to owners of the Company		30,866	65,656
Other comprehensive income			
Translation differences on translating foreign operations		4,460	4,904
Gain on revaluation of properties		2,653	8,598
Deferred tax arising from change in valuation of properties		(96)	(1,081)
Other comprehensive income for the year, net of tax		7,017	12,421
Total comprehensive income for the year, attributable to owners of the Company		37,883	78,077
Earnings per share (HK cents)			
- Basic	*7*	7.054	15.151
- Diluted	*7*	7.042	15.071

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2012

	Notes	2012 HK$'000	2011 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		157,927	158,678
Payments for leasehold land held for own use under operating leases		3,933	3,944
Goodwill		1,403	1,403
Total non-current assets		163,263	164,025
Current assets			
Inventories		111,891	92,817
Trade and bills receivables	*9*	139,876	143,505
Deposits, prepayments and other receivables		15,874	10,782
Equity securities held for trading		2,604	8,426
Cash and cash equivalents		132,547	144,756
Total current assets		402,792	400,286
Total assets		566,055	564,311
Liabilities			
Current liabilities			
Trade payables	*10*	80,168	83,928
Accruals and other payables		28,378	29,513
Borrowings		82,444	91,325
Obligations under finance leases – due within one year		514	499
Current tax liabilities		8,929	10,192
Total current liabilities		200,433	215,457
Non-current liabilities			
Obligations under finance leases – due after one year		104	618
Deferred tax liabilities		13,383	13,166
Total non-current liabilities		13,487	13,784
Total liabilities		213,920	229,241
Net current assets		202,359	184,829
Total assets less current liabilities		365,622	348,854
NET ASSETS		352,135	335,070
Capital and reserves attributable to owners of the Company			
Share capital		439	433
Share premium		58,873	55,496
Merger reserve		942	942
Properties revaluation reserve		46,110	43,553
Exchange fluctuation reserve		13,806	9,346
Share-based compensation reserve		536	1,162
Proposed dividends	*8*	3,072	17,333
Retained profits		228,357	206,805
TOTAL EQUITY		352,135	335,070

NOTES

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). They include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. In addition, the consolidated financial statements have been prepared under the historical cost convention, except for certain land and buildings and financial instruments, which are measured at revalued amounts or fair value.

The following new, revised or amended standards and interpretations are adopted by the Group for the first time for the financial year beginning 1 April 2011**:**

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 7(Amendments)	Financial Instruments: Disclosures
HKAS 24 (Revised)	Related Party Disclosures

2. SEGMENT REPORTING

The Group determines its operating segment based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has one reportable segment, which is the design, manufacture and sale of electrical haircare products, electrical healthcare products and other small household electrical appliances.

(a) Information about products

The following is an analysis of the Group's revenue by products:

	2012	2011
	HK$'000	HK$'000
Electrical haircare products	623,184	635,531
Electrical healthcare products and other small household electrical appliances	11,173	20,010
	634,357	655,541

(b) Geographical information

The Group's revenue is mainly derived from customers located in the PRC, Germany, Italy and Russia while the Group's business activities are conducted predominantly in Hong Kong and the PRC. The Company is domiciled in Hong Kong and an analysis of the Group's revenue by country of domicile of external customers is as follows:

	2012	2011
	HK$'000	HK$'000
PRC	187,476	129,880
Germany	50,554	46,578
Italy	45,538	52,746
Russia	36,361	43,727
Other countries*	314,428	382,610
	634,357	655,541

*Other countries mainly represent USA, Australia, Thailand and France.

The following is an analysis of the Group's non-current assets by their geographical location:

	2012	2011
	HK$'000	HK$'000
Hong Kong	28,056	25,754
PRC (excluding Hong Kong)	135,207	138,271
	163,263	164,025

(c) Information about major customers

The following is the Group's major external customers, who contributed 10% or more to the Group's revenue:

	2012	2011
	HK$'000	HK$'000
Customer A	309,937	223,556
Customer B	74,129	142,056

3. TURNOVER

The Group is principally engaged in the design, manufacture and sale of electrical haircare products, electrical healthcare products and other small household electrical appliances. Turnover, which is also the Group's revenue, represents the net invoiced value of goods sold during the year.

4. OTHER INCOME, GAINS AND LOSSES

	2012	2011
	HK$'000	HK$'000
Recovery of mould costs	8,207	7,499
Compensation received in respect of cancelled orders	4,950	5,737
Loss on disposal of property, plant and equipment	(1,119)	(154)
Exchange loss, net	(1,172)	(133)
Reversal/(impairment) loss on property, plant and equipment (Note (a))	735	(1,026)
Rental income	263	440
Reversal of provision of trade receivables	300	367
Dividend income	151	-
Unrealised losses on equity securities held for trading	(752)	(460)
Realised (losses)/gains on equity securities held for trading	(767)	250
Sundry income (Note (b))	1,695	1,823
	12,491	14,343

Note:

(a) The reversal relates to uncompleted moulds previously impaired and reversed during the year after rework.

(b) Sundry income includes discounts received from suppliers and other miscellaneous income generated incidental to normal course of business.

5. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is stated after charging/(crediting):

	2012	2011
	HK$'000	HK$'000
Auditor's remuneration	637	659
Cost of inventories recognised as an expense	520,455	521,310
Reversal of provision of inventories (Note (a))	(578)	(976)
Depreciation of property, plant and equipment	14,271	14,974
Amortisation of payments for leasehold land held for own use under operating leases	96	93
Minimum lease payments under operating leases	2,080	1,171
Research and development costs (Note (b))	5,390	4,854

Note:

(a) Provision of inventories was reversed due to the written-off of inventories fully impaired in prior periods.

(b) Research and development costs comprised mainly salaries paid to engineers who are responsible for the research and development functions. Such amounts were included in staff costs.

6. INCOME TAX EXPENSE

The amount of taxation in the consolidated statement of comprehensive income represents:

	2012	2011
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
- tax for the year	1,541	5,251
- over provision in respect of prior years	-	(164)
Current tax – PRC Enterprise Income Tax ("EIT")		
- tax for the year	12,466	6,642
	14,007	11,729
Deferred tax		
- current year	(255)	26
Income tax expense	13,752	11,755

No provision for income tax for group entities in the Cayman Islands or the British Virgin Islands has been made as these entities had no income assessable for profits tax in these jurisdictions for current and prior years.

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for subsidiaries incorporated in Hong Kong.

Other subsidiaries, which were established and operated in the PRC, are subject to EIT at a standard rate of 25% (2011: 25%).

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2012	2011
Profit for the year (HK$'000)	30,866	65,656
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share (thousands)	437,597	433,336
Effect of dilutive potential ordinary shares (thousands):		
- share options	715	2,302
Weighted average number of ordinary shares for the purposes of diluted earnings per share (thousands)	438,312	435,638
Basic earnings per share (HK cents)	7.054	15.151
Diluted earnings per share (HK cents)	7.042	15.071

8. DIVIDENDS

	2012	2011
	HK$'000	HK$'000
Interim, paid HK$0.0138 (2011: HK$0.021) per share	6,057	9,100
Final, proposed HK$0.007 (2011: HK$0.028) per share	3,072	12,133
Special, proposed HK$Nil (2011: HK$0.012) per share	-	5,200
	9,129	26,433

The directors recommended a final dividend of HK$0.007 per share, totalling HK$3,072,000 for the year ended 31 March 2012 (2011: a final dividend of HK$0.028 per share and a special final dividend of HK$0.012 per share, totalling HK$17,333,000). These proposed dividends are not recognised as a liability at the end of reporting period.

9. TRADE AND BILLS RECEIVABLES

In general, the credit terms granted by the Group ranged from 14 days to 90 days. For those major customers, a credit term up to 120 days from the invoice date would be allowed.

	2012	2011
	HK$'000	HK$'000
Trade receivables	131,581	125,868
Bills receivables	8,295	17,637
	139,876	143,505

The aging analysis of trade receivables, net of impairment, prepared based on delivery date is as follows:

	2012	2011
	HK$'000	HK$'000
Aged:		
Within 60 days	98,309	82,392
61 - 120 days	25,855	43,476
121 - 365 days	4,952	-
Over 365 days	2,465	-
	131,581	125,868

The maturity dates of bills receivables are generally between one to three months.

10. TRADE PAYABLES

In general, the credit terms granted by suppliers ranged from 30 to 120 days. The aging analysis of trade payables prepared based on delivery date is as follows:

	2012	2011
	HK$'000	HK$'000
Aged:		
Within 60 days	67,318	76,938
61 - 120 days	9,596	5,461
121 - 365 days	2,736	1,167
Over 365 days	518	362
	80,168	83,928

Management Discussion and Analysis

FINANCIAL REVIEW

For the year ended 31 March 2012, the Group recorded a turnover of HK$634,357,000 (2011: HK$655,541,000), a decrease of 3.2% from the previous financial year. The slight decrease in turnover was attributable to the drop of demand from our top brand overseas customers who were affected by the dampening consumer sentiment due to the increasing global economic turmoil brought about by the debt crises in Europe and a slow US economic recovery.

During the year, the Group reported a gross profit of HK$114,480,000 (2011: HK$135,207,000), representing a gross profit margin of 18.0% (2011: 20.6%). The decrease was due to the increase of material prices and rising labour costs compounded by the appreciation of the Renminbi, all of which drove production costs upwards. Had we reclassified salary of HK$8,066,000 under “Administrative Expenses” incurred by one of the major subsidiaries in Dongguan as wages under “Cost of Sales” similar to the presentation of the financial year ended 31 March 2011, the gross profit margin would have been changed to 16.8% instead of the 18.0% as stated above. The change of presentation for the financial year under review was caused by the complete restructuring of this subsidiary from a contract processing factory to a Wholly Foreign Owned Enterprise “WFOE” in August 2011.

In line with the drop of gross profit, operating profit for the year ended 31 March 2012 was HK$45,602,000 (2011: HK$78,520,000), representing a decrease of 41.9% from the previous financial year. The percentage of distribution costs and administrative expenses to turnover were about 1.9% and 11.0% respectively against 1.8% and 9.1 % in the last financial year.

Profit for the year dropped to HK$30,866,000, a decrease of 53.0% from HK$65,656,000 of the financial year ended 31 March 2011.

Basic earnings per share amounted to HK7.054 cents, a decrease of 53.4% from HK15.151 cents of the financial year ended 31 March 2011.

The Board of Directors (“The Board”) has proposed a final dividend of HK0.7 cents per share (2011: a final dividend of HK2.8 cents and a special final dividend of HK1.2 cents), totalling HK$3,072,000 (2011: HK$17,333,000) for the financial year ended 31 March 2012. Together with the interim dividend of HK1.38 cents per share (2011: HK2.1 cents) already declared and paid, total dividends for the year amount to HK2.08 cents per share (2011: HK6.1 cents) representing a pay-out ratio of 29.5% (2011: 40.3%)

BUSINESS REVIEW

MARKET REVIEW

During the financial year, the exports markets were very soft. In particular, exports to Europe experienced a significant decline in the fourth quarter of the financial year. Troubled by the sluggish recovery of the US economy and the recent market turmoil caused mainly by the EURO Zone debt crisis, the overall consumption of electrical goods in both the US and Europe remained weak. We believe that the pace of global economic growth will remain slow in the coming year.

Amidst this challenging market environment, the demand for the Group's haircare products in Asia, especially, China, showed promising growth of 45.0% in this financial year. The stronger demand enabled the Group to reduce its dependence on the European market to 42.6% in the financial year ended 31 March 2012 from 52.7% in the previous financial year. The turnover contribution from the America decreased slightly to 9.9% during this financial year from 11.9% in the preceding financial year. At the same time, the turnover contribution from Asia increased to 42.7% in this financial year from 28.5% in the last financial year. As more and more consumers demand hair beauty products in the emerging markets, such as Colombia, Dubai, Iran, Lithuania and Ukraine, the Group believes that the geographical proportion of revenue should be more evenly distributed in the coming years.

Most of the Group's customers are famous global brands. Our five major customers accounted for approximately 79.0% and 75.7% of the Group's total turnover in the current financial year and the previous financial year, respectively.

OPERATION REVIEW

With the PRC Government encouraging investors to change their processing factory operations into Wholly Foreign Owned Enterprises ("WFOE") through incentive schemes, the Group had completed the process of changing the processing factory operation in Dongguan to a WFOE in August 2011.

In order to sustain our competitiveness in this industry, the Group is devoting more resources to the research and development ("R&D") of new, innovative and value-added applications in haircare products especially in the area of hair nutrition, over-heating indicators, quiet performance and faster drying times. During the financial year under review, the Group successfully incorporated a number of innovative features, such as hair dryers with hair temperature sensors and hair straighteners with infrared emission.

Besides our in-house R&D team, the Group also collaborates with university and other research teams in the development of new products. The cooperation with The Hong Kong Polytechnic University and research teams in Japan has delivered cost-effective research results. The strengthened R&D capabilities enable the Group to more quickly develop and efficiently ramp up production of our new products. It also provides new business momentum for the Group to tap industry opportunities domestically and overseas.

During the current financial year, the Group faced the same operating challenges as other manufactures in Mainland China, such as slow recovery in the exports markets, the appreciating Renminbi and increased operating costs and general expenses. The monthly minimum wage in Dongguan increased from RMB920 to RMB1,100 effective from March 2011 and is expected to rise further to RMB1,320 in 2012. Though there has been less upward pressure, the market still expects the RMB to appreciate by 1-2% by the end of this calendar year. But with the macroeconomic uncertainty, prices for metal commodities, such as copper, lead, and aluminum alloy, are declining which can provide some relief to the cost pressure on the Group.

Labour shortage remained as a serious issue in China, which has led to significant increases in labour costs and has inevitably placed a heavier burden on the manufacturing process. The Group realises that in the long run, it is necessary to transform itself from a labour intensive operation into a more capital-intensive enterprise. It has strived to improve the competitiveness of the production by adopting the "Lean Programme" since late 2010. The objective of this programme is to increase production efficiency and reduce costs and wastage by investing more in automation and re-designing the production set up and workflow. In this financial year, the Group had already invested HK$9m in acquiring new machineries and equipment and upgrading manufacturing facilities. It is expected that approximately HK$18m will be invested in production automation and set up during the next fiscal year.

With the ultimate goal of enhancing staff retention, cohesion and sense of belonging, the Group organised a wide range of activities for the staff and management such as forums to exchange ideas, and training programmes to share knowledge.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2012, the Group had approximately HK$132,547,000 cash and cash equivalent balances (2011: HK$144,756,000). The Group's net current assets were approximately HK$202,359,000 (2011: HK$184,829,000). The current ratio of the Group as at 31 March 2012 was maintained at 2.0 (2011: 1.9) and the net cash to equity ratio (cash less interest bearing borrowing over total equity) was 14.1% (2011: 15.6%).

As at 31 March 2012, the Group had aggregate banking facilities of HK$176,643,000 (2011: HK$214,549,000), of which HK$83,062,000 (2011: HK$92,442,000) was used. The borrowings comprised bank loan facilities of HK$44,703,000 (2011: HK$29,255,000), trade finance facilities of HK$37,741,000 (2011: HK$62,070,000), and the obligation under finance leases HK$618,000 (2011: HK$1,117,000). Other than the obligation under finance lease, the maturity profile of the Group's borrowings falling due within one year and in the second to the fifth year amounted to HK$68,389,000 and HK$14,055,000 respectively (2011: HK$69,622,000 and HK$21,703,000 respectively). The bank borrowings carry interest at rates ranging from HIBOR/LIBOR plus 0.4% to 2.25% (2011: 0.4% to 1.5%) or 1% below the Prime Rate (2011: 1%).

The Group has maintained a healthy liquidity position and has accumulated sufficient financial resources to meet working capital and capital expenditure requirements.

CHARGES ON ASSETS

The Group had no charges on assets as at 31 March 2012 (2011: Nil), except for the assets held under finance leases.

FOREIGN EXCHANGE EXPOSURE

The Group's financial statements are denominated in Hong Kong dollars. The Group conducts its business transactions mainly in Hong Kong dollars, Renminbi and United States dollars. As the Hong Kong dollars remains pegged to United States dollars, there is no material exchange risk in this respect. To manage the appreciation of the Renminbi, the Group has successfully increased its revenue in Mainland China in order to hedge Renminbi receipts and Renminbi payments on an ongoing basis. All of the Group's bank loan facilities were denominated in Hong Kong dollars and carried interest at floating rates.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2012, the Group employed 53 employees (2011: 57) in Hong Kong and employed a total work force of approximately 2,440 (2011: 2,355) inclusive of all its staff and workers in China. The Group's remuneration policy is built on the principle of equitable, incentive-based where applicable, performance-oriented and market-competitive remuneration packages to employees. Remuneration packages are normally reviewed on a regular basis. Apart from salary payments, other staff benefits include share option schemes, performance-based bonuses, provident fund contributions and medical insurance coverage.

DIVIDENDS

The Board of Directors has proposed the payment of a final dividend of HK0.7 cents per share (2011: a final dividend of HK2.8 cents per share and a special final dividend of HK1.2 cent per share) for the year ended 31 March 2012. This amounts to approximately HK$3,072,000 (2011: HK$17,333,000), payable to the shareholders of the Company whose names appear on the register of members of the Company as at Friday, 10 August 2012. Together with the interim dividend of HK1.38 cents per share (2011: HK2.1 cents per share) amounting to approximately HK$6,057,000 (2011: HK$9,100,000), the total dividends for the year ended 31 March 2012 will be HK2.08 cents per share (2011: HK6.1 cents per share) amounting to approximately HK$9,129,000 (2011: HK$26,433,000). Subject to the approval of shareholders with regard to the proposed payment of the final dividend at the forthcoming annual general meeting, the dividend warrants will be dispatched to shareholders on or about Friday, 7 September 2012.

PROSPECTS

The outlook for the future is mixed with challenges and opportunities. The Group believes the key challenges include: 1) a significant slowdown in the economy and consumption, especially demand in Europe, China and the US, may affect capacity utilisation and top-line growth 2) reduced orders during the run-up for holiday seasons, such as Christmas and Chinese New Year, will have an impact on workforce planning 3) price pressure as customers may demand lower selling price due to the price declines for metal commodities 4) manufacturing cost pressure as the labour shortage is very serious in Guangdong province which may not improve in the near future.

Nevertheless, the Group is cautiously optimistic about the opportunities in the coming financial year. We believe there would be another wave of industry consolidation, which would benefit larger exporters, such as the Group, in the long run. The Group intends to continue investing in automation to be better prepared to capture future growth opportunities. Last but not least, the Group shall strive to maintain a healthy financial and liquidity position to reap the rewards from our development of new products and innovative product features.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

In the opinion of the board of directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the financial year ended 31 March 2012, except for the deviation from the CG Code Provision A.2.1.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Lam Wai Ming holds the position of Chairman currently and is deemed to be the Chief Executive Officer. The Board believes that vesting the roles of Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership in the development and execution of long-term business strategies and development plans. The Board believes that the balance of power and authority is adequately ensured.

Save as disclosed above, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company were in line with the Code Provisions during the Year.

COMPLIANCE WITH THE MODEL CODE

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules to govern securities transactions by the directors. After having made specific enquiry by the Company, all directors of the Company confirmed that they had fully complied with the Model Code throughout the Year.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group. The Audit Committee comprises four INEDs of the Company and none of whom is employed by or otherwise affiliated with former or existing auditors of the Company. The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's consolidated financial statements for the Year.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the members to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 31 July 2012 to Thursday, 2 August 2012, both days inclusive, during which period no transfer of shares of the Company will be registered. Members whose names appear on the register of members of the Company at the close of business on Monday, 30 July 2012 will be entitled to attend and vote at the annual general meeting. All transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 30 July 2012.

In order to ascertain the entitlement to the final dividend to be approved at the annual general meeting, the register of members of the Company will be closed from Wednesday, 8 August 2012 to Friday, 10 August 2012, both days inclusive, during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 7 August 2012.

PUBLICATION OF FURTHER INFORMATION

The annual report of the Company for the Year containing all the information required by Appendix16 to the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company (http://www.kenford.com.hk) on or before 11 July 2012.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to the entire workforce for their diligence and commitment during the year. I would further like to thank our shareholders for their confidence in the Group, our customers worldwide for their trust and support of our products and services, as well as our bankers and business partners for their ongoing support.

By Order of the Board
KENFORD GROUP HOLDINGS LIMITED
LAM WAI MING
Chairman

Hong Kong, 29 June 2012

As at the date of this announcement, the Board of the Company comprises two Executive Directors, namely Mr. Lam Wai Ming (Chairman), Mr. Tam Chi Sang (Managing Director) and four Independent Non-Executive Directors, namely Mr. Chiu Fan Wa, Mr. Li Chi Chung, Mr. Li Tat Wah and Mr. Choi Hon Keung.

Website: www.kenford.com.hk