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) (Warrant Code: 452)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2007

The board of directors (the "**Board**") of Kenford Group Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2007, prepared on the basis set out in Note 1, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2007

	Notes	**2007** *HK$'000*	2006 *HK$'000*
Turnover	2	**537,273**	403,551
Cost of sales		**(436,406)**	(356,874)
Gross profit		**100,867**	46,677
Other income and gains	2	**8,086**	8,588
Distribution costs		**(7,162)**	(8,309)
Administrative expenses		**(43,368)**	(36,480)
Profit from operations	3	**58,423**	10,476
Finance costs	4	**(7,915)**	(5,728)
Profit before income tax expense		**50,508**	4,748
Income tax expense	5	**(4,193)**	(601)
Net profit attributable to equity holders of the Company		**46,315**	4,147
Dividends	6		
Interim dividend paid			
– ordinary		**6,000**	4,000
Final dividend proposed			
– ordinary		**8,000**	1,200
– special		**4,000**	–
		18,000	5,200
Earnings per share (cents)	7		
Basic		**11.579**	1.094
Diluted		**11.558**	1.090

CONSOLIDATED BALANCE SHEET

As at 31 March 2007

	Notes	2007 HK$'000	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**96,167**	91,461
Payments for leasehold land held for own use under operating leases		**3,236**	3,247
Goodwill		**1,403**	1,403
Total non-current assets		**100,806**	96,111
Current assets			
Inventories		**55,853**	54,207
Trade and bills receivables	8	**94,719**	69,363
Deposits, prepayments and other receivables		**7,940**	8,479
Tax recoverable		–	1,866
Cash and cash equivalents		**116,841**	63,334
Total current assets		**275,353**	197,249
Total assets		**376,159**	293,360
LIABILITIES			
Current liabilities			
Trade and bills payables	9	**55,430**	46,291
Accruals and other payables		**15,690**	15,461
Borrowings – due within one year		**84,779**	69,204
Bank advances for discounted bills		**31,466**	18,534
Obligations under finance lease – due within one year		**1,973**	457
Tax payable		**3,583**	48
Total current liabilities		**192,921**	149,995
Non-current liabilities			
Borrowings – due after one year		**8,367**	11,607
Obligations under finance lease – due after one year		**3,501**	155
Deferred tax liabilities		**6,434**	6,100
Total non-current liabilities		**18,302**	17,862
Total liabilities		**211,223**	167,857
Net current assets		**82,432**	47,254
Total assets less current liabilities		**183,238**	143,365
TOTAL NET ASSETS		**164,936**	125,503

	Notes	2007 HK$'000	2006 HK$'000
Capital and reserves			
Share capital		**400**	400
Share premium		**36,317**	36,317
Merger reserve		**942**	942
Share-based compensation reserve		**700**	1,000
Properties revaluation reserve		**9,111**	9,111
Exchange fluctuation reserve		**330**	12
Retained profits		**105,136**	76,521
Proposed final dividend		**12,000**	1,200
Equity attributable to equity holders of the Company		**164,936**	125,503

NOTES:

1. Basis of preparation and principal accounting policies

The Company was incorporated in the Cayman Islands on 10 November 2004 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its shares have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 16 June 2005.

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements also comply with the applicable disclosures required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange and by the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost basis except for certain leasehold land and buildings in Hong Kong and buildings in the PRC and financial instruments, which are measured at revalued amounts or fair value.

In the current year, the Group has applied, for the first time the following new standards, amendments and interpretations issued by the HKICPA where considered appropriate and relevant to its operations. The management considers that the adoption of the below has no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment is required.

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HK (IFRIC)-Int 4	Determining Whether an Arrangement contains a lease

No early adoption of the following new standards, interpretations or amendments that have been issued but are not yet effective.

HKAS 1 Amendment	Capital Disclosures [4]
HKAS 23 (Revised)	Borrowing Costs [1]
HKFRS 7	Financial instruments: Disclosures [4]
HKFRS 8	Operating Segments [1]
HK(IFRIC) – Interpretation 8	Scope of HKFRS 2 [7]
HK(IFRIC) – Interpretation 9	Reassessment of Embedded Derivatives [6]
HK(IFRIC) – Interpretation 10	Interim Financial Reporting and Impairment [5]
HK(IFRIC) – Interpretation 11	Group and Treasury Share transactions [3]
HK(IFRIC) – Interpretation 12	Service Concession Arrangements [2]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 January 2008
[3] Effective for annual periods beginning on or after 1 March 2007
[4] Effective for annual periods beginning on or after 1 January 2007
[5] Effective for annual periods beginning on or after 1 November 2006
[6] Effective for annual periods beginning on or after 1 June 2006
[7] Effective for annual periods beginning on or after 1 May 2006

The Group is in the process of assessing the impact to the Group's accounting policies on the adoption of the above standards and interpretations in future periods, but is not in a position to state whether these new standards and interpretations would have a significant impact on its results of operations and financial position.

2. Turnover, other income and gains and segment information

An analysis of the Group's turnover and other income and gains is as follows:

	2007	2006
	HK$'000	*HK$'000*
Turnover		
Sale of goods	**537,273**	403,551
Other income and gains		
Reimbursement of mould costs (i)	**3,362**	5,484
Interest income	**1,607**	1,205
Gain on foreign currencies contracts	**419**	–
Sample sales	**237**	234
Compensation received	**686**	262
Sundry income	**1,775**	1,403
	8,086	8,588
Total Revenue	**545,359**	412,139

(i) Reimbursement of mould costs represent customers' reimbursement of mould for the Group's manufacture of products.

Segment information:

(a) Primary reporting format – business segments

The Group has been operating in a single business segment, that is the design, manufacture and sale of electrical hair care products, electrical health care products and other small household electrical appliances.

(b) Secondary reporting format – geographical segments

The following is an analysis of the Group's sales by geographical location of customers:

	2007	2006
	HK$'000	*HK$'000*
Europe	**343,428**	261,751
North and South America	**85,291**	82,158
Asia	**66,482**	35,390
Australia	**33,729**	19,574
Africa	**8,343**	4,678
	537,273	403,551

3. Profit from operations

Profit from operations is stated after charging/(crediting):

	2007	2006
	HK$'000	*HK$'000*
Auditors' remuneration	**613**	475
Cost of inventories recognised as an expense	**436,406**	356,874
Depreciation of property, plant and equipment		
–Owned	**12,219**	11,701
–Held under finance leases	**1,445**	410
Exchange (gain)/losses, net	**(51)**	1,344
Loss on disposal of property, plant and equipment	**157**	–
Staff costs (including directors' emoluments) (i)		
–Salaries and welfare expenses	**71,222**	56,548
–Retirement benefits scheme contributions	**496**	467
–Share-based payment expenses	**–**	1,000
Research and development costs (ii)	**4,067**	4,361
Amortisation on payments for leasehold land held for own use under operating leases	**72**	71
Minimum lease payments paid under operating leases	**1,018**	268
Impairment loss on trade and bills receivables	**686**	199
Write down of inventories	**3,736**	443

(i) Amount paid under PRC sub-processing arrangement of approximately HK$44,375,000 (2006: HK$37,175,000) were included in staff costs.

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

4. Finance costs

	2007	2006
	HK$'000	*HK$'000*
Interest on bank borrowings and overdrafts, which are wholly repayable within five years	**1,252**	985
Interest on trust receipt loans	**6,567**	4,674
Interest on finance leases	**96**	69
	7,915	5,728

5. Income tax expense

The amount of income tax expense in the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
–tax for the year	**3,917**	255
–under provision in respect of prior years	**58**	–
Current tax – PRC Enterprise Income Tax ("EIT")		
–tax for the year	**–**	49
	3,975	304
Deferred tax		
–current year	**147**	338
–under/(over) provision in respect of prior years	**71**	(41)
	218	297
Income tax expense	**4,193**	601

No provision for profits tax in the Cayman Islands or British Virgin Islands has been made as the Group had no income assessable for profit tax in these jurisdictions.

Hong Kong profits tax is calculated at 17.5% (2006: 17.5%) on the estimated assessable profits for the year.

Pursuant to the relevant laws and regulations in the People's Republic of China ("PRC"), Dongguan Kario Electrical Appliance Company Limited ("DG Kario"), being a foreign investment enterprise, is subject to income tax rate of 24%, together with local EIT at a rate of 3%, DG Kario is subject to the aggregate EIT at a rate of 27%. DG Kario is also exempted from enterprise income tax for two years starting from the first year of profitable operations in 2003 after off-setting prior year tax losses, followed by a 50% reduction in the applicable tax rate for the next three years.

Pursuant to the PRC EIT law passed by the Tenth National People's Congress on 16 March 2007, the new EIT rates for domestic and foreign enterprises are unified at 25% and will be effective from 1 January 2008. The impact of this change in EIT rates on the Group's consolidated financial statements will depend on detailed implementation pronouncements that are to be issued subsequently. The Group is currently assessing the impact on the Group's results of operations and financial position of this change in EIT rates.

6. Dividends

	2007	2006
	HK$'000	*HK$'000*
Interim, paid HK1.5 cents (2006: HK1 cent) per share	**6,000**	4,000
Final, proposed HK2 cents (2006: HK0.3 cent) per share	**8,000**	1,200
Special final proposed HK1 cent (2006: Nil) per share	**4,000**	–
	18,000	5,200

The directors recommended a final dividend of HK2 cents per share and a special final dividend of HK1 cent per share. This proposed dividend is not reflected as a dividend payable at 31 March 2007, but is reflected as an appropriation of retained profits for the year ended 31 March 2007 according to the accounting standard prescribed under HKAS 10 "Event After the Balance Sheet Date".

7. Earnings per share

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the Group's net profit attributable to shareholders of approximately HK$46,315,000 (2006: HK$4,147,000).

The number of shares used to calculate the basic earnings per share is based on the weighted average number of 400,000,000 (2006: 378,904,000) ordinary shares in issue during the year. The diluted earnings per share is based on the weighted average number of ordinary shares in issue during the year plus the weighted average number of 701,000 (2006: 1,679,000) ordinary shares deemed to be issued if all the outstanding options had been exercised.

8. TRADE AND BILLS RECEIVABLES

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**62,868**	42,640
Bills receivables	**31,851**	26,723
	94,719	69,363

In general, the credit terms granted by the Group ranged from 14 to 90 days. The aging analysis of trade receivables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Aged:		
Within 60 days	**50,168**	26,458
61 – 120 days	**9,625**	8,264
121 – 365 days	**3,022**	5,252
More than 365 days	**53**	2,666
	62,868	42,640

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

9. TRADE AND BILLS PAYABLES

In general, the credit terms granted by suppliers ranged from 30 to 120 days. The aging analysis of trade and bills payables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Aged:		
Within 60 days	**47,446**	36,888
61 – 120 days	**4,594**	7,054
121 – 365 days	**3,049**	1,862
More than 365 days	**341**	487
	55,430	46,291

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

After undergoing a hard time last year, we witnessed a remarkable improvement on the performance of the Group for the financial year ended 31 March 2007. For the year ended 31 March 2007, turnover and net profit of the Group recorded HK$537.3 million and HK$46.3 million respectively, representing an increase of 33% and 1,017% as compared to HK$403.6 million and HK$4.1 million for last year.

PROSPECTS

Despite severe competition in the small household electrical appliance industry, the Group's performance for the year ended 31 March 2007 recorded an encouraging result. We are well-prepared for the new requirements in electrical and electronic equipment (the WEEE and RoHS Directives), and we deliver quality products to our customers to further enhance our market position. Our reputation is further enhanced by gaining "Speed Award 2006" from our new customer which is one of the well-known international brands, and "10 Years of Fruitful Partnership and Mutual Success in Household Appliance Business Awards" from another.

Looking ahead, the persistent rises of the raw material costs, the surges of wages in the Dongguan region, the instability in electricity supply and the strength of Renminbi pose as challenges to the industry. In response, the Group has been implementing prudent cost control measures to cope with the challenging effects on its business. We have re-engineered our manufacturing processes and improved our supply chain processes for cost saving purpose. Our management has realized the importance of shifting towards semi-automation in order to reduce the reliance on intensive labour. We have upgraded our ERP system to deliver a more powerful data analysis at the back office. At the same time, our management has structured a financial arrangement to minimize our potential foreign currency risk exposure.

The construction of our new plant is expected to be completed by early 2008. Our production capacity is expected to be increased by approximately one-fourth to one-third thereafter. With the increased production capacity, we are optimistic to cope with future increase in market shares.

The Group has been focusing on developing new innovative products and expanding its markets. We will explore business opportunities in other new products categories and other niche markets. Our strategy remains to concentrate on developing better lifestyle products in ODM, OEM and OBM instead of traditional electrical appliances. To stay in line with our future organic and/or generic growth in the market, we will explore appropriate business opportunities in synergy with our business strategies to help us create greater value for our shareholders.

FINANCIAL REVIEW

For the year ended 31 March 2007, the Group recorded a turnover of HK$537.3 million (2006: HK$403.6 million), representing an increase of approximately 33% over that of last year. The turnover attributable to the sale of electrical hair care products accounted for approximately HK$513.7 million, representing approximately 96% of the turnover of the Group. The increase was due to the successful launch of several new products in the first half of the financial year ended 31 March 2007 and the expansion of market shares in Europe, especially in Italy. Our preparation for the new requirements in electrical and electronic equipment (the WEEE and RoHS Directives) made us distinctive from the other market players. Turnover attributable to the European market increased by 31% to HK$343.4 million whereas turnover attributable to the Asian market has been experiencing persistent increase over the past three years. The other geographical area also recorded a slight increase in turnover this year.

Our gross profit margin improved from 11.6% to 18.8%. The significant improvement was due to the more than proportionate increase in sales over the increase in cost of sales. The soaring in material costs had slowed down and our Group had been working hard on alternate sourcing of materials. In addition, our Group successfully launched a series of new hair styling apparatus in the targeted markets.

Our net profit margin reached 8.6%, achieving a significant improvement while that in the last year was 1.0%. Distribution cost was 1.3% of turnover while administrative expenses increased by 19% over that of last year. The increase in administrative expenses was mainly due to the increase in staff costs and the change in remuneration package to directors since listing.

Capital Structure

The market capitalization of the Company as at 31 March 2007 was approximately HK$132 million.

Liquidity And Financial Resources

As at 31 March 2007, the Group had cash and cash equivalents balances of approximately HK$116.8 million (31 March 2006: HK$63.3 million). As at 31 March 2007, the Group's net current assets were approximately HK$82.4 million (31 March 2006: HK$47.3 million). The gearing ratio as at 31 March 2007 was 34.6% while that as at 31 March 2006 was 34.1%. The current ratio as at 31 March 2007 maintained at 1.4 (31 March 2006: 1.3). The Group has been maintaining a healthy liquidity position and has sufficient financial resources to meet the requirements of its ordinary operation and capital expenditure.

As at 31 March 2007, the Group had aggregate banking facilities of HK$211.0 million (31 March 2006: HK$164.0 million), of which HK$130.3 million (31 March 2006: HK$81.4 million) was utilised.

ISSUE OF SHARES AND USE OF THE PROCEEDS FROM THE IPO

In June 2005, the Company issued 100,000,000 ordinary shares pursuant to the IPO, raising net proceeds of approximately HK$36,500,000. The proceeds were used up to 31 March 2007 in the following manner:

	Per prospectus *HK$ million*	Amount utilised *HK$ million*	Balance as at 31 March 2007 *HK$ million*
–construction of new plant	20	0.3	19.7
–installation of machinery and equipment	9	9	0
–research and development of electrical hair care products	2	2	0
–penetration and expansion into new and existing markets	2	1.5	0.5
–Group's general working capital	1	1	0
	34	13.8	20.2

The remaining portion of the net proceeds was placed with banks in Hong Kong as short-term deposits.

Subsequent to 31 March 2007 and up to the date of this announcement, 1,000 Warrants have been converted into 500 ordinary shares and hence HK$300 cash proceeds have been raised therefrom by the Company.

CONTINGENT LIABILITIES

(i) A High Court action was commenced by WIK Far East Limited (the "**WIK**") against a subsidiary of the Company on 27 April 2004 in respect of alleged infringements of a patent in respect of retractable brushes.

The Board has confirmed that no settlement has been reached by the parties and no judgements on the quantum of damages had been made against the Group in respect of the legal action. The Group has sought legal advice from its legal counsel on the merits of the claim.

According to the legal counsel's opinion, given that the trial has not yet commenced and the parties are still at a pre-mature stage of the litigation, and in the absence of any indication as to how WIK would like to proceed with its claim, it would not be possible to quantify reliably the likely potential damages and cost to be incurred by the Group in the event that the subsidiary of the Group fails in its defence to the claim of patent infringement in the litigation. Assuming that WIK will claim for damages for loss of profits or for accounts of profits, the Board is of the view that the quantum of the ultimate cost and damages (if any) to be incurred by the Group will not have a material adverse impact on the Group's financial position.

In the event that a liability has arisen from the litigation, the controlling shareholders of the Company have jointly and severally agreed and undertaken to indemnify the Group from and against any of such liability.

(ii) The Company has executed guarantees amounting to approximately HK$211.0 million (2006: HK$164.0 million) with respect to banking facilities made available to its subsidiaries. As at 31 March 2007, the borrowings outstanding against the facilities amounted to approximately HK$130.3 million (2006: HK$81.4 million). In the opinion of the Board, no material liabilities will arise from the above corporate guarantees in the ordinary course of the business and the fair value of the guarantees granted by the Company is immaterial.

CHARGES ON ASSETS

The Group has no charges on assets as at 31 March 2007.

FOREIGN EXCHANGE EXPOSURE

The Group's sales are mainly denominated in US dollars while purchases are principally denominated in HK dollars, US dollars and Japanese Yen. Certain costs of the Group are denominated in Renminbi. Since HK dollar has been pegged to US dollar, the Group's exposure to the currency risk in US dollars was minimal. Most of the Group's liquid fund is placed in principal guaranteed short-term dual currencies deposits in various banks during the year ended 31 March 2007. Since Renminbi has been appreciating against US dollar, the Group has structured a financial arrangement to minimize our potential foreign currency risk exposure.

STAFF AND REMUNERATION POLICIES

As at 31 March 2007, the Group employed approximately 59 Hong Kong staff and operates a defined contribution pension scheme. The number of staff and seasonal workers employed by our factories in China was maintained at approximately 3,000 during the financial year ended 31 March 2007.

People are our most important assets and are indispensable to our success in the competitive marketplace. We offer comprehensive remuneration packages level and provide various fringe benefits, including trainings, medical, insurance coverage as well as retirement benefits.

The Group has adopted a pre-IPO share option scheme and a share option scheme for the purposes of providing incentives and rewards to eligible participants who have contributed to the success of our operations.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares of HK$0.001 each in the share capital the Company (the "**Share**") or the 100,000,000 listed warrants issued by the Company, in units of HK$0.30 of the subscription rights to subscribe for up to 50,000,000 Shares at the initial subscription price of HK$0.60 per Share at any time from 16 June 2005 to 13 June 2008 (both dates inclusive) (the "**Warrants**") (together with the Shares, the "**Securities**") during the year ended 31 March 2007.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

In the opinion of the Board, 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 Listing Rules throughout the financial year ended 31 March 2007, except for the following deviations:

Code Provision A.1.1 stipulates that the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. There were totally 17 Board meetings held during the financial year ended 31 March 2007, out of which there were only 2 regular meetings with formal notice and agenda. The Board believes that the fairness and effectiveness for the decision making on the business needs are adequately ensured. In view of good corporate governance practices, the Board will use its endeavours to meeting regularly and hold at least four regular Board meetings in the forthcoming years.

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.

To enhance accountability, transparency, independence, responsibility and fairness to the shareholders and stakeholders, the Company is dedicated to develop the appropriate framework of corporate governance for the Group. The Group will keep on implementing and reviewing our corporate governance practices and procedures from time to time for ensuring the commitment of the corporate governance standard and striving for the enhancement of shareholder value.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted procedures governing directors' securities transactions in compliance with the Model code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all the directors of the Company (the "**Directors**") have confirmed that they fully complied with the required standards as set out in the Model Code throughout the financial year ended 31 March 2007.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**"), comprising three independent Non-Executive Directors, namely Mr Chiu Fan Wa, Mr Li Chi Chung and Mr Li Tat Wah was established on 29 April 2005 with written terms of reference in compliance with the Listing Rules. Mr Chiu Fan Wa, who is a qualified accountant with appropriate professional qualification and experience in financial matters, was appointed as the chairman of the Audit Committee. None of the Audit Committee members are members of the former or existing auditors of the Company.

The Audit Committee together with the management, has reviewed the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters including the review of our audited consolidated financial statements for the financial year ended 31 March 2007.

FINANCIAL INFORMATION

The financial information in this announcement does not constitute the Group's financial statements for the year, but represents an extract from those financial statements. The accounting policies used are consistent with those set out in the Annual Report 2006.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2007 have been agreed by the Group's auditor, BDO McCabe Lo Limited, to the amounts set out in the consolidated accounts of the Company for the year. The work performed by BDO McCabe Lo Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO McCabe Lo Limited on the preliminary announcement.

FINAL DIVIDENDS

The Board now recommends the payment of a final dividend of HK2 cents per Share and a special final dividend of HK1 cent per Share for the year ended 31 March 2007 (2006: HK0.3 cent per Share), amounting to approximately HK$12 million (2006: HK$1.2 million), payable to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 7 September 2007. Together with the interim dividend of HK1.5 cents per Share, paid in January 2007 (2006: HK1 cent per Share), amounting to HK$6 million (2006: HK$4 million), the total dividends for the year ended 31 March 2007 will be HK4.5 cents per Share (2006: HK1.3 cents per Share).

Subject to the approval of shareholders with regard to the proposed payment of the final dividends and the special final dividend totalling HK3 cents per Share at the forthcoming annual general meeting, the dividend warrants will be dispatched to shareholders on or about Monday, 17 September 2007.

CLOSURE OF REGISTER OF MEMBERS AND REGISTER OF WARRANTHOLDERS

The register of members and the register of warrantholders of the Company will be closed from Tuesday, 4 September 2007 to Friday, 7 September 2007, both days inclusive, during which period no transfer of Shares/Warrants and no Share of the Company to be issued upon exercise of any subscription right attaching to the outstanding Warrants issued by the Company will be registered. In order to qualify for the proposed final dividend and the proposed special final dividend and/or to ascertain the right to attend the forthcoming annual general meeting of the Company, all transfers of Shares duly accompanied by the relevant Share certificates, and the appropriate transfer forms must be lodged for registration 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 not later than 4:30 p.m. on Monday, 3 September 2007. Warrantholders who wish to exercise the subscription rights of the outstanding Warrants in order to qualify for the proposed final dividend and the proposed special final dividend and/or to ascertain the right to attend the forthcoming annual general meeting of the Company must lodge the duly completed subscription form together with the relevant Warrant certificates accompanied by the appropriate subscription monies with the Company's branch registrar not later than 4:00 p.m. on Monday, 3 September 2007. The last day in Hong Kong of dealings in Company's Shares with entitlement to the final dividend and the special final dividend will be on Thursday, 30 August 2007. Shares of the Company will be traded ex-dividend as from Friday, 31 August 2007.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on Friday, 7 September 2007. The Notice of the Annual General Meeting will be published on the website of the Stock Exchange at www.hkex.com.hk, the website of the Company at www.kenford.com.hk and the website at www.equitynet.com.hk/0464 and be dispatched to the shareholders of the Company in due course. The relevant notification will be published in the newspapers to draw the shareholders' attention in late July 2007.

PUBLICATION OF FINAL RESULTS

All details on the financial and related information of the Company containing all information as required by paragraph 45(1) to 45(3) of Appendix 16 to the Listing Rules are published on the website of the Stock Exchange. It will also be dispatched to shareholders and be available to the public for collection in the following places in late July 2007:

1. Principal Place of Business in Hong Kong: Rooms 1106-8, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong;

2. Websites: (a) www.kenford.com.hk; and
   (b) www.equitynet.com.hk/0464.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders for their confidence in the Group, our worldwide customers for their trust and support in our products and services throughout the years, our staff for their dedication as well as our bankers and business associates for their continuing support.

GENERAL

As at the date of this announcement, the Board of the Company comprises three Executive Directors, Mr Lam Wai Ming (Chairman), Mr Tam Chi Sang (Managing Director), Mr Chan Kwok Tung, Donny and three Independent Non-Executive Directors, Mr Chiu Fan Wa, Mr Li Chi Chung and Mr Li Tat Wah.

By Order of the Board
KENFORD GROUP HOLDINGS LIMITED
Lam Wai Ming
Chairman

Hong Kong, 20 July 2007