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 2017

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 2017 (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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Revenue	*2&3*	**495,390**	522,851
Cost of sales		**(415,912)**	(455,665)
Gross profit		**79,478**	67,186
Other income, gains and losses	*4*	**6,289**	882
Impairment loss recongised in respect of property, plant and equipment		**(14,146)**	(10,001)
Impairment loss recongised in respect of goodwill		**(1,403)**	-
Distribution costs		**(6,752)**	(7,327)
Administrative expenses		**(83,372)**	(71,613)
Finance income		**364**	661
Finance costs		**(1,392)**	(1,313)
Loss before taxation		**(20,934)**	(21,525)
Income tax expense	*5*	**(1,286)**	(1,012)
Loss for the year attributable to owners of the Company	*6*	**(22,220)**	(22,537)
Other comprehensive expense			
Items that will not be reclassified to profit and loss:			
Gain on revaluation of leasehold land and buildings		**6,256**	1,598
Income tax relating to item that will not be reclassified		**2,638**	(79)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(10,091)**	(8,439)
Other comprehensive expense for the year		**(1,197)**	(6,920)
Total comprehensive expense for the year attributable to owners of the Company		**(23,417)**	(29,457)
Basic loss per share (HK cents)	*7*	**(4.986)**	(5.069)
Diluted loss per share (HK cents)		**(4.986)**	(5.062)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017

	Notes	**2017** **HK$'000**	2016 HK$'000
Non-current assets			
Property, plant and equipment		**100,651**	176,169
Prepaid lease payments		**3,163**	3,442
Deposits paid for acquisition of property, plant and equipment		**1,873**	969
Goodwill		**-**	1,403
		105,687	181,983
Current assets			
Inventories		**60,792**	72,633
Trade and bills receivables	*9*	**142,547**	117,765
Deposits, prepayments and other receivables		**12,872**	13,673
Tax recoverable		**1,816**	794
Investments held for trading		**5,909**	5,458
Bank balances and cash		**106,707**	104,003
		330,643	314,326
Assets classified as held for sale		**53,080**	-
		383,723	314,326
Current liabilities			
Trade payables	*10*	**65,159**	60,759
Accruals and other payables		**32,784**	20,326
Provision for onerous contract		**-**	442
Bank borrowings		**49,811**	46,998
Tax liabilities		**5,287**	5,682
		153,041	134,207
Net current assets		**230,682**	180,119
Total assets less current liabilities		**336,369**	362,102
Non-current liabilities			
Deferred tax liabilities		**12,465**	14,781
NET ASSETS		**323,904**	347,321
Capital and reserves			
Share capital		**446**	446
Share premium and reserves		**323,458**	346,875
TOTAL EQUITY		**323,904**	347,321

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include 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 on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance. In addition, the consolidated financial statements have been prepared under the historical cost basis, except for leasehold land and buildings and investments held for trading, which are measured at revalued amounts or fair values.

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

<u>Amendments to HKFRSs that are mandatorily effective for the current year</u>

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

<u>New and amendments to HKFRSs and interpretation in issue but not yet effective</u>

The Group has not early applied the following new and amendments to HKFRSs and interpretation that have been issued but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers and the related amendments[1]
HKFRS 16	Leases[2]
HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration[1]
Amendments to HKFRS2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKAS 7	Disclosure initiative[4]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[4]
Amendments to HKAS 40	Transfers of investment property[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014 - 2016 cycle[5]

[1] Effective for annual periods beginning on or after 1 January 2018.
[2] Effective for annual periods beginning on or after 1 January 2019.
[3] Effective for annual periods beginning on or after a date to be determined.
[4] Effective for annual periods beginning on or after 1 January 2017.
[5] Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

Based on the Group's financial instruments and risk management polices as at 31 March 2017, application of HKFRS 9 in the future may have material impact on the measurement of the Group's financial assets. The expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of that effect of HKFRS 9 until the directors of the Company perform a detailed review.

The directors of the Company anticipate that the application of HKFRS 15 in the future may not have material impact on the amounts reported. However, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

As at 31 March 2017, although the Group, as lessee, has no non-cancellable operating lease commitment, any further leases entered into in the future may meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company performs a detailed review.

The amendments to HKAS 7 apply prospectively for annual periods beginning on or after 1 April 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

Except as disclosed above, the directors of the Company anticipate that the application of the other new and amendments to HKFRSs and interpretation will have no material impact on the consolidated financial statements.

2. REVENUE

The Group is principally engaged in the design, manufacture and sale of electrical haircare products.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resources allocation and assessment of performance of a single operating and reportable segment, which is the design, manufacture and sale of electrical haircare products.

Amounts of segment assets and liabilities of the Group are not reviewed by the Group's CODM or otherwise regularly provided to the CODM, accordingly, segment assets and liabilities are not presented.

(a) Geographical information

The Group's revenue is mainly derived from customers located in Europe, Asia, North and South America, Africa and Australia while the Group's business activities are conducted predominantly in Hong Kong and the People's Republic of China (the "**PRC**").

The Group's revenue from external customers by geographical location of customers irrespective of the origin of the goods, and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Europe	**252,424**	258,311	**-**	-
Asia	**181,853**	191,913	**105,687**	181,983
North and South America	**54,236**	63,115	**-**	-
Australia	**5,002**	7,042	**-**	-
Africa	**1,875**	2,470	**-**	-
	495,390	522,851	**105,687**	181,983

(b) Information about major customers

Revenue from customers of the year and the corresponding year contributing over 10% of the total sales of the Group are as follows:

	2017	2016
	HK$'000	HK$'000
Customer A	**213,653**	249,309
Customer B	**75,087**	81,249
Customer C	**N/A***	53,115

* Revenue below 10% of total sales for the respective period is not disclosed.

4. OTHER INCOME, GAINS AND LOSSES

	2017	2016
	HK$'000	HK$'000
Other income:		
Compensation received in respect of cancelled orders	**2,692**	3,012
Mould income	**1,081**	1,517
Written off of other payable	**851**	-
Sales of samples	**526**	-
Government grants	**617**	33
Penalty from vendors for bad quality or late delivery	**331**	302
Sundry income	**313**	249
	6,411	5,113
Other gains and losses:		
Net foreign exchange loss	**(398)**	(1,012)
Fair value change in investments held for trading	**(166)**	(2,732)
Reversal of provision for onerous contract	**442**	631
Loss on disposal of property, plant and equipment	**-**	(1,118)
	(122)	(4,231)
Total other income, gains and losses	**6,289**	882

5. INCOME TAX EXPENSE

	2017	2016
	HK$'000	HK$'000
PRC Enterprise Income Tax:		
Current tax	**2,204**	1,775
Overprovision in prior years	**(1,980)**	(313)
	224	1,462
Deferred tax:		
Current year	**1,062**	(450)
	1,286	1,012

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong Profits Tax has been provided in the consolidated financial statements as the subsidiaries of the Group operating in Hong Kong are either suffering from tax losses, or the assessable profits are wholly absorbed by tax losses brought forwards for both years.

6. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2017	2016
	HK$'000	HK$'000
Auditor's remuneration	**830**	782
Amortisation of prepaid lease payments	**90**	95
Depreciation of property, plant and equipment	**11,697**	16,313
Allowance for inventories (included in cost of sales)	**6,673**	895
Directors' emoluments	**23,143**	14,193
Other staff costs		
Salaries and allowances	**107,748**	124,012
Retirement benefits scheme contributions	**5,847**	6,450
Total staff costs	**136,738**	144,655
Costs of inventories recognised as expenses (included staff costs relevant to manufacturing processes)	**371,042**	454,770
Minimum lease payments in respect of rented properties	**489**	1,005

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2017	2016
	HK$'000	HK$'000
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**(22,220)**	(22,537)
Number of shares		
	'000	'000
Number of ordinary shares for the purpose of basic loss per share	**445,646**	444,636
Effect of dilutive potential ordinary shares – share options	**-**	561
Number of ordinary shares for the purpose of diluted loss per share	**445,646**	445,197

8. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2017 (2016: Nil).

9. TRADE AND BILLS RECEIVABLES

	2017 HK$'000	2016 HK$'000
Trade receivables	**140,059**	115,650
Less: Allowance for bad and doubtful debts	**(51)**	(51)
	140,008	115,599
Bills receivables	**2,539**	2,166
Total trade and bills receivables	**142,547**	117,765

The following is an aged analysis of trade and bills receivables (net of allowance for bad and doubtful debts) presented based on the invoice date at the end of the reporting period, which approximates the respective revenue recognition dates.

	2017 HK$'000	2016 HK$'000
0 – 60 days	**66,319**	81,093
61 – 120 days	**26,602**	34,921
121 – 365 days	**49,159**	1,598
Over 365 days	**467**	153
	142,547	117,765

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

10. TRADE PAYABLES

The following is an aged analysis of trade payables, presented based on the invoice date, at the end of the reporting period:

	2017 HK$'000	2016 HK$'000
0 – 60 days	**57,950**	52,715
61 – 120 days	**3,993**	5,863
121 – 365 days	**2,132**	1,486
Over 365 days	**1,084**	695
	65,159	60,759

The credit periods on purchases of goods range from 30 to 120 days.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the year ended 31 March 2017, the Group continued to face the challenges of high labour and raw material costs and shortage of skilled labour. With weaken global market demand, the Group recorded a decrease in revenue and gross profit. Its revenue was HK$495,390,000 (2016: HK$522,851,000), down by 5.3% against the previous financial year.

The Group reported gross profit of HK$79,478,000 (2016: HK$67,186,000) for the year, representing a gross profit margin of 16.0% (2016: 12.8%), up 3.2% primarily from the launch of new product models with higher profit margins, saving of manufacturing costs due to the depreciation of Renminbi and the success of ongoing cost reduction initiatives, though partly offset by the surge in raw material cost, especially with regard to commodities related items, such as packing materials, plastic resins and copper.

During the Financial Year, the Group recognised a write off of goodwill in the amount of HK$1,403,000 and an impairment loss of HK$14,146,000 for the carrying amount of certain plant and equipment of a major subsidiary for production and sales of products to a PRC customer. Based on the budgeted gross margin and estimated direct operating expenses made by the management, there will be reduced orders from this customer in the near future. As such, a full write off of the goodwill and impairment of the respective carrying amount was recognised in profit or loss. These items had not affected the cash flow of the Group for the Financial Year.

The Group recognised an unrealised loss, net of realised gain and dividend income, of HK$166,000, arising from changes in fair value of equity securities held for trading (2016: HK$2,732,000). With the stock market less volatile during the year, there was only a small drop in fair value of these securities. Accordingly, the Group had to account for this drop in fair value in profit or loss.

As a result of the above factors, loss before taxation for the year ended 31 March 2017 was HK$20,934,000 (2016: HK$21,525,000), representing a decrease of 2.7% against the previous financial year. Expressed proportionately as a percentage of revenue, distribution costs and administrative expenses were about 1.4% and 16.8% respectively in this Financial Year compared to 1.4% and 13.7% in the last. In dollars term, administrative expenses was HK$83,372,000, an increase of 16.4%, compared to the HK$71,613,000 spent in last financial year. Such increase reflected the increase in director bonus and legal and professional fee.

Loss for the year was HK$22,220,000, down by 1.4% compared to loss of HK$22,537,000 for the financial year ended 31 March 2016.

Basic loss per share amounted to HK4.986 cents, a decrease of 1.6% compared to loss of HK5.069 cents last financial year.

The Board has resolved not to declare payment of a final dividend (2016: Nil) for the financial year ended 31 March 2017. As no interim dividend had been declared either (2016: Nil), no dividends would be paid for the Financial Year (2016: Nil).

BUSINESS REVIEW

MARKET REVIEW

The Financial Year was ridden with unpredictable happenings, particularly in the global political scene, which bore heavy on the foreign exchange market as well as consumption sentiment. With demand for electrical haircare products sluggish and rise in cost of commodities related raw materials, the overall operating environment continued to be challenging for the Company.

Also, there has been strong pressure from customers requesting price reductions as they believed the Company's production cost would come down alongside the Renminbi, which has been on continual depreciation, and that it should pass any saving onto them. In addition, as most of the Company’s customers are from European countries, the significant devaluation of the Euro and Pound Sterling against the United States dollar has created a significant cost burden on them as they need to pay for the goods they purchase from us in United States dollar, another reason for them to push for price reduction. However, despite such pressures, the Company has demonstrated its resilience and expanded the scale of its businesses and its revenue sources.

During the Financial Year, at different levels, all geographic markets saw a decline in demand volume. Revenue contribution to total revenue from the Europe, Asia, North & South American, Australia and Africa markets changed slightly to 51.0%, 36.7%, 10.9%, 1.0% and 0.4% respectively from 49.4%, 36.7%, 12.1%, 1.3% and 0.5% in the last financial year. The Group believes the European and Asian markets will remain as its major geographic revenue contributors in the coming years.

The fact that most of the customers of the Group are renowned global brands is testimony to the superb quality of its products. Our five major customers together accounted for approximately 78.4% and 83.1% of the Group’s total revenue in the Financial Year and the previous financial year, respectively.

OPERATION REVIEW

Mainland China remains the Group’s major production center. As such, the Group faces the same operating challenges as other manufacturers on the mainland, such as the slow recovery of export markets, declining growth of domestic markets, difficulties in recruiting production line operators and increased raw material costs and manufacturing expenses. Though these factors have adversely affected its gross profit margin, the Group has found it very difficult to pass all of the higher expenses on to customers.

Labour shortage continues to be a serious issue in China, leading to significant increase in labour costs thus a heavier burden on the entire manufacturing process and operational efficiency. The Group is strategically coping with this issue, by transforming itself from a labour-intensive operation into a more capital-intensive enterprise. To this end, the Group has continued to put more resources into production upgrade and automation that can help improve production efficiency and eliminate waste and, ultimately, reduce costs.

The immediate priorities of the Group are to monitor the progress of on-going initiatives to improve operational efficiency and to invest in people and processes conducive to its long-term development.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2017, the Group had approximately HK$106,707,000 cash and bank deposits (2016: HK$104,003,000). Its net current assets amounted to approximately HK$230,682,000 (2016: HK$180,119,000). Current ratio of the Group as at 31 March 2017 was maintained at 2.5 (2016: 2.3) and net cash-to-equity ratio (cash and bank deposits less the interest bearing borrowings over total equity) was 17.6% (2016: 16.4%).

As at 31 March 2017, the Group had aggregate banking facilities of HK$145,400,000 (2016: HK$160,400,000), of which HK$49,811,000 (2016: HK$46,998,000) had been used. The borrowings comprised bank loan facilities of Nil (2016: HK$11,533,000) and trade finance facilities of HK$49,811,000 (2016: HK$35,465,000). The borrowings due within one year amounted to HK$49,811,000 (2016: HK$46,998,000). The bank borrowings carry interest rates ranging from HIBOR/LIBOR plus 2% to 2.25% (2016: 2% to 2.25%) or 1% (2016: 1%) below Prime Rate.

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

CHARGES ON ASSETS

The Group had no charges on assets as at 31 March 2017 (2016: nil).

FOREIGN EXCHANGE EXPOSURE

The Group's consolidated financial statements are presented in Hong Kong dollars. The Group conducts business transactions mainly in Hong Kong dollars, United States dollars and Renminbi. As the Hong Kong dollar remains pegged to the United States dollar, there has been no material exchange risk in this respect. To manage fluctuation of the Renminbi, the Group has been able to hedge Renminbi receipts and Renminbi payments on an ongoing basis with revenue generated in Mainland China. All of the Group's bank loan facilities are denominated in Hong Kong dollars and carry interest at floating rates.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2017, the Group had a total workforce of approximately 1,619 (2016: 1,573) including 39 employees (2016: 42) in Hong Kong. The Group's remuneration policy is underscored by the principle of awarding equitable packages to employees, incentive-based where applicable, with remunerations being performance-oriented and market-competitive. Remuneration packages are normally reviewed on a regular basis. Apart from salary payments, the Group offers other staff benefits including share option schemes, performance-based bonuses, provident fund contributions and medical insurance coverage.

DIVIDENDS

The directors have resolved not to declare the payment of a final dividend in respect of the year ended 31 March 2017.

PROSPECTS

The Group expects to face new challenges in 2017 including climbing raw material costs, persistent shortage of skilled labour in China, increasing governmental taxes and fees, rising manufacturing costs in Mainland China, shortening life cycles of consumer electronic products and the volatile capital markets and currency fluctuations. At the same time, the relatively low visibility of sales orders received makes resources planning difficult.

Although the Group sees the macroeconomic environment as unfavourable for the ODM manufacturing sector, it has continued to invest in new technologies enabling it to roll out new and innovative products, diversify product offerings, automate manufacturing and direct considerably more resources to developing higher margin innovative products.

As a major global haircare product manufacturer, the Group will continue to adhere to the strategic direction of reinforcing its position as a major ODM supplier of world-leading brand owners. Moving forward, our seasoned management team will focus on formulating business strategies and using the research and development capabilities of the Group to create innovative products with strong value-added features to boost the Group's margins. The haircare manufacturing sector is currently undergoing consolidation. The management will work hard to present a solid platform to the Group that it may expand in the sector when the global economy starts to revive hopefully in the near future. Our strengths in advanced and innovative product design and development should drive sales and enable us to sustain sales growth momentum in the years to come.

At the same time, the Group will continue to implement stringent cost control measures to combat rising operating cost pressures. It will diligently adhere to the strategic focus of developing lifestyle haircare products superior to traditional products for fashion and lifestyle brands.

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 ended 31 March 2017.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with the applicable code provisions of the Corporate Governance Code and Corporate Governance Report (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 2017, except for the deviation from the CG Code A.2.1 and A.6.7.

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.

Code Provision A.6.7 stipulates that, independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. One independent non-executive director, Mr. Li Chi Chung did not attend the annual general meeting of the Company held on 11 August 2016 due to other business engagements.

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 Company has adopted procedures governing directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of 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 2017.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Company the accounting principles and practices, risk management and internal control systems adopted by the Group. The Audit Committee comprises three independent non-executive directors of the Company and none of whom is employed by or otherwise affiliated with former or existing auditors of the Company.

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 10 July 2017.

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, 27 June 2017

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 three independent non-executive directors, namely Mr. Chiu Fan Wa, Mr. Choi Hon Keung, and Mr. Li Chi Chung.

Website: www.kenford.com.hk