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 2006

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 2006, 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 2006

	Notes	**2006** *HK$'000*	2005 *HK$'000*
Turnover	*2*	**403,551**	464,910
Cost of sales		**(356,874)**	(370,729)
Gross profit		**46,677**	94,181
Other revenue	*2*	**8,588**	12,215
Distribution costs		**(8,309)**	(8,020)
Administrative expenses		**(36,480)**	(31,704)
Profit from operations	*3*	**10,476**	66,672
Finance costs	*4*	**(5,728)**	(3,912)
Profit before tax		**4,748**	62,760
Tax expense	*5*	**(601)**	(5,357)
Net profit attributable to equity holders of the Company		**4,147**	57,403
Dividends:	*6*		
Interim dividend paid		**4,000**	–
Special dividend paid		**–**	40,000
Final dividend proposed		**1,200**	–
		5,200	40,000
Earnings per share (cents)	*7*		
Basic		**1.094**	19.13
Diluted		**1.090**	N/A

CONSOLIDATED BALANCE SHEET
As at 31 March 2006

	2006 *HK$'000*	2005 *HK$'000* (Restated)
Non-current assets		
Property, plant and equipment	**91,461**	78,295
Interests in leasehold land held for own use under operating leases	**3,247**	3,288
Goodwill	**1,403**	1,403
Total non-current assets	**96,111**	82,986
Current assets		
Inventories	**54,207**	60,881
Trade and bills receivables	**69,363**	46,880
Deposits, prepayments and other receivables	**8,479**	12,617
Tax recoverable	**1,866**	–
Pledged bank deposits	**–**	6,051
Cash and cash equivalents	**63,334**	77,176
Total current assets	**197,249**	203,605

Current liabilities		
Trade and bills payables	**46,291**	55,298
Accruals and other payables	**15,461**	15,620
Dividend payable	**–**	32,489
Borrowings – due within one year	**69,204**	90,004
Bank advances for discounted bills	**18,534**	–
Obligations under finance leases – due within one year	**457**	1,014
Tax payable	**48**	2,506
Total current liabilities	**149,995**	196,931
Net current assets	**47,254**	6,674
Total assets less current liabilities	**143,365**	89,660
Non-current liabilities		
Borrowings – due after one year	**11,607**	7,622
Obligations under finance leases – due after one year	**155**	599
Deferred tax liabilities	**6,100**	2,823
Net assets	**125,503**	78,616
Capital and reserves		
Share capital	**400**	100
Share premium	**36,317**	–
Merger reserve	**942**	942
Share-based compensation reserve	**1,000**	–
Properties revaluation reserve	**9,111**	–
Exchange fluctuation reserve	**12**	–
Retained profits	**76,521**	77,574
Proposed final dividend	**1,200**	–
Equity attributable to equity holders of the Company	**125,503**	78,616

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. Pursuant to the reorganisation, as disclosed in the Company's prospectus dated 31 May 2005, prepared for the purpose of listing its shares on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 23 March 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 land and buildings in the PRC and financial instruments, which are measured at revalued amounts or fair values.

In the current year, the Group has applied, for the first time, a number of new HKFRSs issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2005. Pursuant to the adoption of new HKFRSs, certain of the Group's accounting policies were changed. The application of the new HKFRSs has also resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet, consolidated cash flow statement and the consolidated statement of changes in equity. The changes in presentation have been applied retrospectively.

The applicable HKFRSs are set out below and the 2005 financial statements have been restated in accordance with the relevant requirements, where applicable.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowings Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separated Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment
HKAS – INT 15	Operating Leases – Incentives

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 27, 33, 37 and HKAS-INT 15 did not result in substantial changes to the Group's accounting policies. In summary:

HKASs 8, 16 and 21 affect certain disclosures of the financial statements.

HKASs 1, 2, 7, 10, 12, 14, 18, 19, 23, 27, 33, 37 and HKAS INT-15 had no material effect on Group's accounting policies.

HKAS 24 affects the identification of related parties and the disclosure of related party transactions.

The adoption of HKAS 17 has resulted in a change in accounting policy relating to leasehold land. In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to "Interests in leasehold land held for own use under operating leases", which are carried at cost and amortised over the lease term on a straight-line basis. The change in accounting policy is adopted retrospectively and reflected by way of prior period adjustment and restatement of comparative figures. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

HKAS 32 requires retrospective application. HKAS 39, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis.

The Group has applied HKFRS 2 "Share-based Payment" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options of the Group determined at the date of grant of the share options over the vesting period.

Summary of the effect of the changes in accounting policies

(i) The adoption of HKAS 17 resulted in:

	31 March 2006 *HK$'000*	31 March 2005 *HK$'000*	1 April 2004 *HK$'000*
Decrease in property, plant and equipment	**(3,247)**	(3,288)	(1,790)
Increase in leasehold land held for own use under operating leases	**3,247**	3,288	1,790
Increase in net assets	**–**	–	–

	2006 *HK$'000*	2005 *HK$'000*
For the year ended 31 March		
Decrease in cost of sales – depreciation expense	**(71)**	(44)
Increase in cost of sales – amortisation expense	**71**	44
Decrease in profit for the year	**–**	–

(ii) The adoption of HKFRS 2 resulted in:

	2006 *HK$'000*	2005 *HK$'000*
As at 31 March		
Increase in share-based compensation reserve	**1,000**	–
For the year ended 31 March		
Increase in administrative expenses – staff costs	**1,000**	–
Decrease in basic earnings per share (cents)	**0.2639**	–
Decrease in diluted earnings per share (cents)	**0.2628**	–

2. Turnover, other revenue and segment information

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

	2006 *HK$'000*	2005 *HK$'000*
Turnover		
Sale of goods	**403,551**	464,910
Other revenue		
Reimbursement of mould costs (i)	**5,484**	7,734
Commission income	**–**	2,861
Interest income	**1,205**	117
Sample sales	**234**	101
Sundry income	**1,665**	1,402
	8,588	12,215
Total revenue	**412,139**	477,125

(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:

	2006 *HK$'000*	2005 *HK$'000*
Europe	**261,751**	341,257
North and South America	**82,158**	35,426
Asia	**35,390**	30,667
Australia	**19,574**	48,064
Africa	**4,678**	9,496
	403,551	464,910

3. Profit from operations

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

	2006 *HK$'000*	2005 *HK$'000* (Restated)
Auditors' remuneration	**475**	300
Cost of inventories sold	**356,874**	370,729
Depreciation		
– Owned	**11,701**	10,282
– Held under finance leases	**410**	1,829
Exchange losses, net	**1,344**	1,521
Staff costs (including directors' emoluments) (i)		
– Salaries and welfare	**56,548**	50,121
– Retirement benefits scheme contributions	**467**	448
– Share-based payment expenses	**1,000**	–
Research and development costs (ii)	**4,361**	4,532
Amortisation on interests in leasehold land held for own use under operating leases	**71**	44
Operating lease expenses	**268**	42
Impairment/(reversal) of obsolete inventories	**443**	(104)
Impairment of trade receivables	**199**	5

(i) Amount paid under PRC sub-processing agreements of approximately HK$37,175,000 (2005: HK$32,616,000) 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

	2006 *HK$'000*	2005 *HK$'000*
Interest on bank borrowings and overdrafts, which are wholly repayable within five years	**985**	1,051
Interest on trust receipt loans	**4,674**	2,781
Interest on finance leases	**69**	80
	5,728	3,912

5. Tax expense

The amount of tax expense charged to the consolidated income statement represents:

	2006 *HK$'000*	2005 *HK$'000*
Current tax provided for the year – Hong Kong	**255**	5,268
Current tax provided for the year – PRC	**49**	–
	304	5,268
Deferred tax		
– Current year	**338**	234
– Over provision in previous years	**(41)**	(145)
	297	89
Tax charged for the year	**601**	5,357

No provision for profit 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 for the year.

Hong Kong profits tax is calculated at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits less any allowable losses brought forward of the companies within the Group.

Pursuant to the relevant laws and regulations in the People's Republic of China ("PRC"), Dongguan Kario Electrical Appliance Company Limited ("DG Kario"), a wholly owned subsidiary acquired by the Group on 23 March 2005, being a foreign investment enterprise, is subject to income tax rate of 24%. 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.

6. Dividends

	2006	2005
	HK$'000	*HK$'000*
Interim dividends – HK$0.01 (2005: Nil) per share	**4,000**	–
Special dividends – (i)	**–**	40,000
Proposed Final dividend – HK$0.003 (2005: Nil) per share	**1,200**	–
	5,200	40,000

(i) The amount represent dividends declared by a subsidiary of the Group to its then shareholders before the group reorganisation.

7. Earnings per share

The calculation of basic and diluted earnings per share is based on the Group's net profit attributable to shareholders of approximately HK$4,147,000 (2005: HK$57,403,000).

The number of shares used to calculate the basic earnings per share is based on the weighted average number of 378,904,000 (2005: 300,000,000) 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 1,679,000 (2005: nil) ordinary shares deemed to be issued if all the outstanding options had been exercised.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The financial year ended 31 March 2006 turned out to be a difficult year for the Group's electrical household appliances business. The Group suffered from a decline in gross profit margin because of continued increase in material and component costs. For the year ended 31 March 2006, turnover and net profit recorded HK$403.6 million and HK$4.1 million, respectively.

PROSPECTS

2005 has been an exciting and challenging year for the Group. Following our successful listing on the Stock Exchange on 16 June 2005, the Group is strength in designing and developing innovative and trendy array of products and this year, we gained "Gold Award" and "Judges' Choice Award" in the category of "Electronic & Electrical Consumer Product" in the HKDA Awards 05, a widely-recognised competition-cum-exhibition in the Asia Pacific region which is organised by the Hong Kong Designers Association. In addition, the construction of the plant is expected to be completed in 2007 and our production capacity is expected to be increased by approximately one-forth to one-third thereafter.

The escalating raw material costs, increasing labour costs together with appreciating Renminbi created an unfavourable business condition for traditional electrical household appliances. To maintain our competitiveness, the Group has been continuing to focus on developing innovative products and expanding its markets. We will explore business opportunities in other new products categories and other niche markets. To stay in line with our future organic and/ or generic growth in the market, we will explore appropriate acquisition opportunities in synergy with our business strategies to help us create greater value for our shareholders.

The Group has been implementing prudent cost control measures to cope with the challenging effects on its business continuously. At the same time, our management is considering appropriate solutions to minimize its risks in foreign exchange exposure. With the invaluable experience accumulated, market reputation established and extensive business networks built-up, the Group believes that its performance should be cautiously optimistic in the middle to long-run.

FINANCIAL REVIEW

Turnover

During the year, the Group recorded a turnover of HK$403.6 million (2005: HK$464.9 million), representing a decrease of approximately 13.2%. The turnover attributable to the sales of electrical hair care products accounted for approximately HK$379.4 million, representing approximately 94.0% of the turnover of the Group. The last year's remarkable growth in demand for the hair straighteners slowed down during the year (which was one of the revenue drivers last year). The decrease in turnover was mainly attributed to the decrease in consumers' propensity to consume in relation to the overall market sentiment in the European markets. The turnover in the European market decreased by 23.3% whereas that in the American market increased by 131.9%.

Gross Profit

Our gross profit margin was approximately 11.6% (2005: 20.3%). The deterioration was due to the less than proportionate decrease in cost of goods sold over the decrease in turnover. The soaring cost during the year was because of the escalating costs of materials and components and the general increase in average labour cost in the Dongguan region, the PRC. The escalating oil price and metal cost imposed additional burden on material costs, especially polycarbonate ("PC") materials and power cords. To accelerate the effect, the utilisation rate of PC materials for the year was especially higher than that of last year because of the proportionate increase in sale of traditional hair dryers.

Expenses

During the year, selling and distribution expenses of the Group were approximately HK$8.3 million (2005: HK$8.0 million), representing approximately 2.1% (2005: 1.7%) of the total turnover. The slight increase was because of the increase in transportation and declaration charges. During the year, administrative expenses of the Group were approximately HK$36.5 million (2005: HK$31.7 million). The increase was mainly due to the higher management costs resulting from the compliance of the Listing Rules following the listing of the Company's shares ("Shares") and the warrants of the Company ("Warrants") on the Stock Exchange (together the "Securities") and the effect of application of new HKFRSs. During the year, finance cost of the Group was approximately HK$5.7 million (2005: HK$3.9 million). The increase was mainly due to the general increase in market interest rates.

CAPITAL STRUCTURE

The net proceeds from our initial public offering ("IPO") completed in June 2005 further strengthen our capital structure and we expect our cash to be sufficient for meeting our operating and capital expenditure requirements in the foreseeable future. The market capitalization of the Company as at 31 March 2006 was approximately HK$120 million.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, apart from the internally generated resources and banking facilities, the Group also raised net proceeds of HK$36,500,000 from the public offer and placing of new shares under the IPO. As at 31 March 2006, the Group had approximately HK$63.3 million cash and cash equivalents balances (31 March 2005: HK$77.2 million). The Group's net current assets were approximately HK$47.3 million as at 31 March 2006 (31 March 2005: HK$6.7 million). The gearing ratio as at 31 March 2006 was 34.1% (bank borrowings including bank advances for discounted bills due to adoption of HKAS39) while that as at 31 March 2005 was 34.6% (bank borrowings excluding bank advances for discounted bills due to no retrospective application under HKAS 39). 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.

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. During the year, the proceeds were used in the following manner:

- approximately HK$2.0 million was used for the research and development of electrical hair care products;
- approximately HK$4.0 million was used for installation of machinery and equipment;
- approximately HK$1.0 million was used as the Group's general working capital;
- approximately HK$0.1 million was used for penetration and further expansion into new and existing markets; and
- the remaining portion of the net proceeds was placed with banks in Hong Kong as short-term deposits.

Up to the date of this report, no subscription rights attaching to the Warrants have been exercised and hence no cash proceeds have been raised therefrom by the Company.

CHARGE ON ASSETS

The charge on leasehold land and buildings having a net book value of approximately HK$13.1 million (31 March 2005: HK$11.8 million) had been charged to secure general banking facilities granted to the Group and had been released during the year.

CONTINGENT LIABILITIES

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 are 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.

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. The Group's certain costs are denominated in Renminbi. Since HK dollars has been pegged to US dollars, the Group's exposure to the currency risk in US dollars was minimal. Since 21 July 2005, Renminbi has been pegged to a basket of currencies and this resulted in Renminbi appreciating against the US dollars. Most of the Group's liquid fund is placed in principal guaranteed short-term dual currencies deposits in various banks during the year.

STAFF AND REMUNERATION POLICIES

As at 31 March 2006, the Group employed approximately 53 Hong Kong staff and operates a defined contribution pension scheme. Our factory in China employed varied from 2,300 to 3,300 which included the staff and seasonal workers during the financial year ended 31 March 2006.

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 or Warrants during the year.

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 2006, except for the following deviation:

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.

The Company is committed to the establishment of three committees of the Board, namely Remuneration Committee, Nomination Committee and Audit Committee with the terms of reference adopted by the Board set out separately. The Board believes that to pursuit a high standard of corporate governance practices and procedures could provide a sound framework and solid foundation to achieve a high standard of accountability, transparency, independence, responsibility, fairness to the shareholders and stakeholders. The Company is dedicated to maintain a credible framework of corporate governance and continue to review and improve our corporate governance and internal control system from time to time.

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 have confirmed that they fully complied with the required standards as set out in the Model Code throughout the financial year ended 31 March 2006.

AUDIT COMMITTEE

The audit committee of the Company, 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 has been appointed as the chairman of the audit committee who is a qualified accountant with appropriate professional qualification and experience in financial matters. None of the audit committee members are members of the former or existing auditors of the Company.

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of our audited financial statements of the Group for the financial year ended 31 March 2006 in conjunction with the Group's auditors, BDO McCabe Lo Limited. In addition, this preliminary results announcement has been agreed with the Group's auditors, BDO McCabe Lo Limited.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK0.3 cent per share for the year ended 31 March 2006 (2005:Nil), absorbing a total amount of approximately HK$1.2 million (2005:Nil), payable to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 8 September 2006. Together with the interim dividend of HK1 cent per share, paid in January 2006 (2005:Nil), the total dividends for the year ended 31 March 2006 will be HK$0.013 (2005: HK$0.1) per share.

Subject to the approval of shareholders with regard to the proposed payment of the final dividends at the forthcoming annual general meeting, the dividend warrants will be dispatched to shareholders on or about Friday, 22 September 2006.

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, 5 September 2006 to Friday, 8 September 2006, both days inclusive, during which period no transfer of shares/warrants and no share of the Company will 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 or to ascertain the right to attend the forthcoming annual general meeting of the Company, all transfers of shares and/or subscriptions of the outstanding warrants, duly accompanied by the relevant share certificates, and the appropriate transfer forms and/or in the case of warrantholders, all duly completed subscription forms accompanied by the relevant warrant certificates and the appropriate subscription monies, must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 4 September 2006. The last day in Hong Kong of dealings in Company's Shares with entitlement to final dividend will be on Thursday, 31 August 2006. Shares of the Company will be traded ex-dividend as from Friday, 1 September 2006. Warrantholders who wish to convert their warrants into shares in order to qualify for the proposed final dividend must lodge the duly completed subscription form together with the relevant warrant certificates accompanied by the subscription monies with the Company's Registrar not later than 4:00p.m. on Monday, 4 September 2006.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on 8 September 2006. The Notice of the Annual General Meeting will be published in the newspapers and be dispatched to the shareholders of the Company in due course.

OTHER DISCLOSURE

Save as disclosed, the Group either has had no material changes from the information disclosed in the latest annual report of the Company or are considered not significant to the Group's operations, thus no additional disclosure has been made in this announcement.

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 2006:

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

2. Website: http://www.kenford.com.hk.

APPRECIATION

People play an important role in gaining competitive advantages. The Group focuses on building up a close relationship with our valuable staff. I would like to express my sincere appreciation to our employees for all their hard work and passion. Also, I would like to thank our shareholders, customers and suppliers for their 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 , 14 July 2006

Please also refer to the published version of this announcement in The Standard.