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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2008

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 2008, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
Turnover	2	**552,891**	537,273
Cost of sales		**(439,020)**	(436,406)
Gross profit		**113,871**	100,867
Other income and gains	2	**8,238**	8,086
Distribution costs		**(8,172)**	(7,162)
Administrative expenses		**(48,601)**	(43,368)
Loss on financial assets at fair value through profit or loss, net	3	**(40,674)**	–
Profit from operations	4	**24,662**	58,423
Finance costs	5	**(6,737)**	(7,915)
Profit before income tax expense		**17,925**	50,508
Income tax expense	6	**(235)**	(4,193)
Profit attributable to equity holders of the Company		**17,690**	46,315
Dividends	7		
Interim dividend paid		**9,967**	6,000
Final dividend proposed			
– Ordinary		**6,500**	8,000
– Special		**–**	4,000
		16,467	18,000
Earnings per share (cents)	8		
– Basic		**4.343**	11.579
– Diluted		**4.343**	11.558

CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**130,077**	96,167
Payments for leasehold land held for own use under operating leases		**4,067**	3,236
Goodwill		**1,403**	1,403
Total non-current assets		**135,547**	100,806
Current assets			
Inventories		**72,414**	55,853
Trade and bills receivables	*9*	**86,299**	94,719
Deposits, prepayments and other receivables		**8,075**	7,940
Tax recoverable		**1,104**	–
Cash and cash equivalents		**126,680**	116,841
Total current assets		**294,572**	275,353
Total assets		**430,119**	376,159
LIABILITIES			
Current liabilities			
Trade and bills payables	*10*	**70,068**	55,430
Accruals and other payables		**21,648**	15,690
Borrowings – due within one year		**84,232**	84,779
Bank advances for discounted bills		**7,461**	31,466
Obligations under finance leases – due within one year		**2,544**	1,973
Tax payable		**66**	3,583
Total current liabilities		**186,019**	192,921

	Notes	2008 HK$'000	2007 HK$'000
Non-current liabilities			
Borrowings – due after one year		**31,014**	8,367
Obligations under finance leases – due after one year		**2,611**	3,501
Deferred tax liabilities		**9,627**	6,434
Total non-current liabilities		**43,252**	18,302
Total liabilities		**229,271**	211,223
Net current assets		**108,553**	82,432
Total assets less current liabilities		**244,100**	183,238
TOTAL NET ASSETS		**200,848**	164,936
Capital and reserves attributable to equity holders of the Company			
Share capital		**433**	400
Share premium		**55,496**	36,317
Merger reserve		**942**	942
Share-based compensation reserve		–	700
Properties revaluation reserve		**28,015**	9,111
Exchange fluctuation reserve		**3,051**	330
Retained profits		**106,411**	105,136
Proposed final dividend		**6,500**	12,000
TOTAL EQUITY		**200,848**	164,936

Notes:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

Kenford Group Holdings Limited (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 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 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 all new and revised standards, amendments and interpretations ("**new HKFRSs**") issued by the HKICPA that are relevant to its operations and effective for the current accounting period of the Group. The adoption of these new HKFRSs did not affect recognition or measurement of the amounts recognised in the financial statements for the current or prior accounting periods. As a result, no prior period adjustment has been required. However, the adoption of "HKFRS 7 Financial Instruments: Disclosures" and "Amendment to HKAS 1, Presentation of Financial Statements: Capital Disclosures" resulted a much extensive disclosures in respect of financial instruments and an additional disclosure on capital management policy respectively. Comparative information has been restated to achieve a consistent presentation.

The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements [1]
HKAS 23 (Revised)	Borrowing Costs [1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [4]
HKAS 32 and HKAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation [1]
HKFRS 2 Amendment	Share-based Payment – Vesting Conditions and Cancellations [1]
HKFRS 3 (Revised)	Business Combinations [4]
HKFRS 8	Operating Segments [1]
HK(IFRIC) – Interpretation 12	Service Concession Arrangements [3]
HK(IFRIC) – Interpretation 13	Customer Loyalty Programmes [2]
HK(IFRIC) – Interpretation 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction [3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2008
[3] Effective for annual periods beginning on or after 1 January 2008
[4] Effective for annual periods beginning on or after 1 July 2009

The directors of the Group anticipate that the adoption of the above new or revised HKFRSs does not result in substantial changes to the Group's accounting policies except that there will be changes in disclosures required by HKAS 1 (Revised) and HKFRS 8 in future.

2. TURNOVER, OTHER INCOME AND GAINS AND SEGMENT INFORMATION

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

	2008	2007
	HK$'000	*HK$'000*
Turnover		
Sale of goods	**552,891**	537,273
Other income and gains		
Reimbursement of mould costs	**686**	3,362
Interest income	**1,950**	1,607
Gain on foreign currencies contracts	**–**	419
Sample sales	**94**	237
Compensation received	**1,146**	686
Sundry income	**4,362**	1,775
	8,238	8,086
Total Revenue	**561,129**	545,359

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 and is represented by turnover disclosed above.

(b) Secondary reporting format – geographical segments

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

	2008	2007
	HK$'000	*HK$'000*
Europe	**343,137**	343,428
North and South America	**90,238**	85,291
Asia	**92,116**	66,482
Australia	**17,081**	33,729
Africa	**10,319**	8,343
	552,891	537,273

3. LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

Foreign exchange risk arises when the Group enters into transactions denominated in a currency other than their functional currency. The Group's monetary assets and transactions are mainly denominated in RMB, HKD, USD and JPY. The exchange rates among HKD with RMB and JPY are not pegged, and there is fluctuation of exchange rates among these currencies. The management from time to time monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group had entered into certain structured financial arrangements to mitigate its currency risk in 2006 and 2007. These structured financial arrangements were fully settled during the year and a loss amounting to HK$40,674,000 was recognised. The Group did not have any outstanding structured financial arrangements as at 31 March 2008.

4. PROFIT FROM OPERATIONS

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

	2008	2007
	HK$'000	*HK$'000*
Auditors' remuneration	**625**	613
Cost of inventories recognised as an expense	**439,020**	436,406
Depreciation of property, plant and equipment		
– Owned	**12,731**	12,219
– Held under finance leases	**1,112**	1,445
Exchange gain, net	**(350)**	(51)
Loss on disposal of property, plant and equipment	**288**	157
Staff costs (including directors' emoluments)		
– Salaries and welfare expenses	**87,134**	71,222
– Retirement benefits scheme contributions	**2,543**	496
Less: Amount paid under PRC sub-processing agreements	**(55,413)**	(44,375)
	34,264	27,343
(Reversal of)/provision for impairment loss on trade and bills receivables	**(68)**	359
Minimum lease payments under operating leases	**1,660**	1,018
Research and development costs *(Note (i))*	**3,912**	4,067
Write-down of inventories	**1,590**	3,736

Note:

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

5. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on:		
– bank borrowings and overdrafts, which are wholly repayable within five years	**683**	1,252
– trust receipt loans	**5,760**	6,567
– finance leases	**294**	96
	6,737	7,915

6. INCOME TAX EXPENSE

The amount of taxation charged to the consolidated income statement represents:

	2008	2007
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
– tax for the year	**1,578**	3,917
– under provision in respect of prior years	**198**	58
Current tax – PRC Enterprise Income Tax ("EIT")		
– tax for the year	**96**	–
	1,872	3,975
Deferred tax		
– current year	**(676)**	147
– (over)/under provision in respect of prior years	**(848)**	71
– attributable to decrease in tax rate	**(113)**	–
	(1,637)	218
Income tax expense	**235**	4,193

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 17.5% (2007: 17.5%) on the estimated assessable profits for the year. On 27 February 2008, the Financial Secretary of the Hong Kong Special Administrative Region Government proposed a reduction in the Hong Kong Profits Tax rate from 17.5% to 16.5% with effect from the fiscal year 2008/09. As a result of the change in tax rate, the change in the carrying amounts of deferred tax assets and liabilities is reflected in the consolidated financial statements of the Group for the year.

Pursuant to the PRC EIT law passed by the Tenth National People's Congress on 16 March 2007, the EIT rates for domestic and foreign enterprises are unified at 25% and was effective from 1 January 2008. All the Group's subsidiaries in PRC are subject to Mainland China Enterprise Income Tax at rate of 25% (2007: 27%).

7. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Interim, paid HK$0.023 (2007: HK$0.015) per share	**9,967**	6,000
Final, proposed HK$0.015 (2007: HK$0.02) per share	**6,500**	8,000
Special, proposed HK$Nil (2007: HK$0.01) per share	**–**	4,000
	16,467	18,000

The Directors recommended a final dividend of HK$0.015 (2007: a final dividend of HK$0.02 and a special dividend of HK$0.01). This proposed dividend is not reflected as a dividend payable at 31 March 2008. It is reflected as an appropriation of retained profits for the year ended 31 March 2008 according to the HKAS 10 "Events After the Balance Sheet Date".

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of approximately HK$17,690,000 (2007: HK$46,315,000).

The number of shares used to calculate the basic earnings per share is based on the weighted average number of 407,362,000 (2007: 400,000,000) 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 Nil (2007: 701,000) ordinary shares deemed to be issued if all the outstanding options had been exercised.

9. TRADE AND BILLS RECEIVABLES

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**69,982**	62,868
Bills receivables	**16,317**	31,851
	86,299	94,719

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

	2008	2007
	HK$'000	*HK$'000*
Aged:		
Within 60 days	**56,885**	50,168
61 – 120 days	**12,405**	9,625
121 – 365 days	**212**	3,022
More than 365 days	**480**	53
	69,982	62,868

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

10. 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:

	2008	2007
	HK$'000	*HK$'000*
Aged:		
Within 60 days	**39,975**	47,446
61 – 120 days	**26,633**	4,594
121 – 365 days	**2,831**	3,049
More than 365 days	**629**	341
	70,068	55,430

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the design, manufacture and sale of electrical hair care products, electrical health care products and other small household electrical appliances. Besides the loss arising from certain structured financial arrangements, during the year under review, the Group's overall business performance was satisfactory. For the year ended 31 March 2008, turnover and net profit of the Group were HK$552.9 million and HK$17.7 million respectively, representing an increase of 2.9% and a decrease of 61.8% as compared to HK$537.3 million and HK$46.3 million for last financial year.

The decrease in net profit was due to the loss of HK$40.7 million arising from certain structured financial arrangements. In the announcement dated 31 January 2008, the Directors had stated that the Group's results for the financial year ended 31 March 2008 would be adversely affected as a result of the loss arising from certain structured product contracts entered into by the Company with a bank to minimise its potential foreign exchange risk exposure to appreciation of Renminbi. In summary:

– Such contracts were fully settled before 31 March 2008. There will be no further loss arising from such structured financial arrangement in the financial years of 2008/09 and beyond. Please refer to note 3 to the consolidated results above.

– The Directors consider that this is an one-off but non-recurring event.

– The Executive Directors and the newly-recruited financial controller will be responsible for risk management to prevent re-occurrence of similar incident. One of the new guidelines adopted is by maintaining 100% capital protection for principal as guaranteed by a reputable bank when entering into any future arrangement for financial products.

While the total loss from these contracts amounted to HK$40.7 million, the Group's financial position is still sound and solid. Net borrowing was HK$1.2 million as at 31 March 2008 as compared to HK$13.2 million as at 31 March 2007.

The net profit before tax and the loss arising from certain structured financial arrangements amounted to HK$58.6 million, representing a 16% growth. The Board believes that the core businesses of the Group are strong. The Group will continue to concentrate on improving its profitable core businesses and developing those businesses which are potentially profitable.

PROSPECTS

The sub-prime mortgage financial crisis of 2007 affects the US economy and the risk of recession is apparently increasing. The operating environment for the consumer electronic industry will continue to be difficult. The Group will set up a risk management committee comprising the Executive Directors and the financial controller to cope with the dynamic environment such as the appreciation of Renminbi, the price fluctuation of raw materials, the increase of labour costs and the changing business environment.

The production of our new plant is expected to commence at the second half of the calendar year of 2008. Our production capacity is expected to increase by approximately 25% to 33% thereafter. With the increased production capacity, we are positive to cater for future increase in market shares and strengthen cost control by economies of scale.

To maintain a stable growth of revenue, the Group secures quality customers for existing products and enriches its product mix. It focuses on higher margin customers and products to enhance profitability. To enhance our competitiveness, the Group injects resources in developing our research and development capabilities so as to bring more differentiated products with value added features to the market. Our strategy remains to concentrate on developing better lifestyle products in ODM, OEM and OBM instead of traditional electrical appliances. We will explore more 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 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 2008, the Group recorded a turnover of HK$552.9 million (2007: HK$537.3 million), representing an increase of approximately 2.9% over that of last year. The product line for electrical hair care products remain the focus of the Group. The turnover attributable to the sale of electrical hair care products accounted for approximately HK$533.9 million, representing approximately 96.6% of the turnover of the Group. The maintenance of a stable turnover was due to the recognition of our products by the worldwide markets. We have developed a stable customer base and have built up long-term relationship with many customers. Our innovative and high quality products make us distinctive from the other market players as well. Turnover to Asia has experienced persistent increase over the past four years whereas turnover to the other markets was stable.

Our gross profit margin improved from 18.8% to 20.6%. The significant improvement was due to the more than proportionate increase in sales over the increase in cost of sales, the high recognition of our high margin products by the markets and efficient running of cost control. Our Group has been working hard on alternate sourcing of materials in order to keep our costs under control.

Our net profit margin was 3.2% but it reached 10.6% before the loss arising from certain structured financial arrangements of HK$40.7 million while that in the last year was 8.6%. Distribution cost was 1.5% of turnover while administrative expenses increased by 12.1% over that of last year.

CAPITAL STRUCTURE

The market capitalisation of the Company as at 31 March 2008 was approximately HK$112.7 million.

During the year, the share capital structure of the Company has been changed. The Company entered into two subscription agreements dated 13 December 2007 ("**Subscription Agreements**") with Classics Fund Ltd. – Special Situations Fund-USD and CorporActive Fund Limited ("**Subscribers**") respectively. Pursuant to the Subscription Agreements, the Company agreed to issue an aggregate of 30,000,000 new ordinary shares of HK$0.001 each at a subscription price of HK$0.6 each (representing a discount of approximately 9.09% to the closing price of HK$0.66 per share as quoted on the Stock Exchange on 13 December 2007). The gross proceeds of the subscription were HK$18,000,000. After taking into account the expenses incurred in the subscription, the net proceeds of the subscription was approximately HK$17,578,000. Details of the Subscription Agreements were disclosed in the announcement of the Company dated 14 December 2007. Completion of the subscription took place in January 2008. The net proceeds of the subscription of approximately HK$17,578,000 were not yet utilised as at 31 March 2008. It is intended that the said proceeds will be used to finance future business development in the People's Republic of China, as disclosed in the announcement of the Company dated 14 December 2007.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2008, the Group had cash and cash equivalents balances of approximately HK$126.7 million (2007: HK$116.8 million). As at 31 March 2008, the Group's net current assets were approximately HK$108.6 million (2007: HK$82.4 million). The net debt to equity (the interest bearing borrowing less cash over total equity) as at 31 March 2008 was 0.6% while that as at 31 March 2007 was 8.0%. The current ratio as at 31 March 2008 maintained at 1.6 (2007: 1.4). 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 2008, the Group had aggregate banking facilities of HK$241.8 million (2007: HK$211.0 million), of which HK$127.9 million (2007: HK$130.3 million) was utilised. As at 30 June 2008, the Group had aggregate banking facilities of HK$241.8 million, of which HK$113.7 million was utilised. On 21 June 2008, one of the Group's principal bankers further granted an additional banking facility of HK$37 million to the Group.

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 Directors of the Company have confirmed that no settlement has been reached by the parties and no judgments 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 defense 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 Directors 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.

(ii) The Company has executed guarantees amounting to approximately HK$241.8 million (2007: HK$211.0 million) with respect to banking facilities made available to its subsidiaries. As at 31 March 2008, the borrowings outstanding against the facilities amounted to approximately HK$127.9 million (2007: HK$130.3 million).

CHARGES ON ASSETS

The Group has no charges on assets as at 31 March 2008 (2007: Nil).

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 dollars has been pegged to US dollars 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 2008. Currently, our management takes a prudent approach in minimising our risks in Renminbi fluctuation exposure by maintaining 100% capital protection short-term deposit with the banker at a reasonable yield.

STAFF AND REMUNERATION POLICIES

As at 31 March 2008, the Group employed approximately 54 (2007: 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 3,300 (2007: 3,000) during the financial year ended 31 March 2008.

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

During the financial year ended 31 March 2008, the Group had 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. As at 31 March 2008, there were no outstanding share options under the pre-IPO share option scheme and the right to grant further share options under the pre-IPO share option scheme has been terminated. No share option has been granted under the share option scheme.

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 listed shares of HK$0.001 each in the share capital the Company (the "**Shares**") or the listed warrants issued by the Company (the "**Warrants**") (together with the Shares, the "**Securities**") during the year ended 31 March 2008.

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 2008, 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.

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

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 2008.

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 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 2008. In addition, this preliminary results announcement has been agreed by the Group's auditors, BDO McCabe Lo Limited.

FINAL DIVIDEND

The Board now recommends the payment of a final dividend of HK1.5 cents per Share (2007: a final dividend of HK2.0 cents and a special final dividend of HK1 cent) for the year ended 31 March 2008, amounting to approximately HK$6.5 million (2007: HK$12 million, comprising final dividend and special final dividend), payable to the shareholders of the Company whose names appear on the register of members of the Company on Friday, 29 August 2008. Together with the interim dividend of HK2.3 cents per Share, paid in January 2008 (2007: HK1.5 cent) amounting to HK$9.97 million (2007: HK6 million), the total dividends for the year ended 31 March 2008 will be HK3.8 cents (2007:HK4.5 cents) 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 Thursday, 4 September 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 August 2008 to Friday, 29 August 2008, both days inclusive, during which period no transfer of Shares of the Company will be registered. In order to qualify for the proposed 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, 25 August 2008. The last day in Hong Kong of dealings in Company's Shares with entitlement to final dividend will be on Thursday, 21 August 2008. Shares of the Company will be traded ex-dividend as from Friday, 22 August 2008.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on Friday, 29 August 2008. 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 www.kenford.com.hk and at www.equitynet.com.hk/0464 and be dispatched to the shareholders of the Company in due course.

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 2008:

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: www.equitynet.com.hk/0464 and www.kenford.com.hk.

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 through 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 two Executive Directors, Mr Lam Wai Ming (Chairman), Mr Tam Chi Sang (Managing Director) and three Independent Non-Executive Directors, Mr Chiu Fan Wa, Mr Li Chi Chung and Mr Li Tat Wah.

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

Hong Kong, 25 July 2008