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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the management of the Company expects that the Group may record a substantial reduction in its consolidated profit for the financial year ended 31 March 2012 as compared to that for the financial year ended 31 March 2011.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by Kenford Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the management of the Company expects that the Group may record a substantial reduction in its consolidated profit for the financial year ended 31 March 2012 as compared to that for the financial year ended 31 March 2011.

The primary reason for the substantial decrease in its consolidated profit is contributed by the decline in turnover and gross profit margin of the Group as a whole. Such decline was mainly attributable to (i) the decrease in demand from our overseas customers in the second half of the financial year; (ii) the increases in material costs and (iii) the increase in operating expenses as a result of the appreciation of Renminbi and the increase in statutory minimum wages in the People’s Republic of China during the financial year. Whilst the Company has

increased selling prices in both the overseas markets and the China market, such increase cannot fully offset the above mentioned decreased demand and increased costs.

As the Company is still in the process of finalising its final results for the financial year ended 31 March 2012, the information contained in this announcement is only based on the preliminary review of the unaudited management accounts of the Group by the Company's management and is neither based on any figures nor information that has been audited by the Company's auditor. Shareholders and potential investors are advised to read carefully the final results announcement of the Company for the year ended 31 March 2012, which will be published in due course.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 1 June 2012

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

Website: www.kenford.com.hk