

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 RESULTS FOR THE YEAR ENDED 31 MARCH 2009

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 2009, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	<i>Notes</i>	2009 HK\$'000	2008 HK\$'000
Turnover	4	769,330	552,891
Cost of sales		<u>(636,227)</u>	<u>(439,020)</u>
Gross profit		133,103	113,871
Other income and gains		8,069	8,238
Distribution costs		(9,544)	(8,172)
Administrative expenses		(69,762)	(48,601)
Loss on financial assets at fair value through profit or loss, net		<u>–</u>	<u>(40,674)</u>
Profit from operations	6	61,866	24,662
Finance costs		<u>(4,432)</u>	<u>(6,737)</u>
Profit before income tax expense		57,434	17,925
Income tax expense	7	<u>(6,478)</u>	<u>(235)</u>
Profit for the year		<u>50,956</u>	<u>17,690</u>

		2009	2008
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends:	<i>8</i>		
Interim dividend paid		11,700	9,967
Final dividends proposed			
– Ordinary		5,633	6,500
– Special		4,333	–
		<u>21,666</u>	<u>16,467</u>
Earnings per share (cents)			
– Basic	<i>9</i>	<u>11.759</u>	<u>4.343</u>
– Diluted	<i>9</i>	<u>11.759</u>	<u>4.343</u>

CONSOLIDATED BALANCE SHEET

As at 31 March 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Assets			
Non-current assets			
Property, plant and equipment		138,892	130,077
Payments for leasehold land held for own use under operating leases		3,996	4,067
Goodwill		1,403	1,403
Total non-current assets		144,291	135,547
Current assets			
Inventories		62,043	72,414
Trade and bills receivables	<i>10</i>	105,086	86,299
Deposits, prepayments and other receivables		9,512	8,075
Tax recoverable		–	1,104
Cash and cash equivalents		116,263	126,680
Total current assets		292,904	294,572
Total assets		437,195	430,119
Liabilities			
Current liabilities			
Trade payables	<i>11</i>	59,426	70,068
Accruals and other payables		25,547	21,648
Borrowings – due within one year		69,666	84,232
Bank advances for discounted bills		2,802	7,461
Obligations under finance leases – due within one year		2,656	2,544
Current tax liabilities		5,890	66
Total current liabilities		165,987	186,019

	2009	2008
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities		
Borrowings – due after one year	25,811	31,014
Obligations under finance leases – due after one year	2,025	2,611
Deferred tax liabilities	9,265	9,627
	<hr/>	<hr/>
Total non-current liabilities	37,101	43,252
	<hr/>	<hr/>
Total liabilities	203,088	229,271
	<hr/>	<hr/>
Net current assets	126,917	108,553
	<hr/>	<hr/>
Total assets less current liabilities	271,208	244,100
	<hr/>	<hr/>
TOTAL NET ASSETS	234,107	200,848
	<hr/>	<hr/>
Capital and reserves attributable to equity holders of the Company		
Share capital	433	433
Share premium	55,496	55,496
Merger reserve	942	942
Properties revaluation reserve	28,015	28,015
Exchange fluctuation reserve	3,554	3,051
Proposed dividends	9,966	6,500
Retained profits	135,701	106,411
	<hr/>	<hr/>
TOTAL EQUITY	234,107	200,848
	<hr/>	<hr/>

Notes:

1. GENERAL INFORMATION

Kenford Group Holdings Limited 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 registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business in Hong Kong is at Rooms 1106-8, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are design, manufacture and sale of electrical hair care products, electrical health care products and other small household electrical appliances.

2. ADOPTION OF AMENDMENTS AND NEW HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”)

In the current year, the Group has applied, for the first time, all new amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to its operations and effective for the current accounting period of the Group.

Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets
HK(IFRIC) – Interpretation 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Interpretation 12	Service Concession Arrangements
HK(IFRIC) – Interpretation 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of these amendments and interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods and no prior period adjustment has been recognised.

The Group has not yet applied any new or revised standards, amendments and interpretations that have been issued but are not yet effective.

3. BASIS OF PREPARATION

(a) Statement of compliance

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 “HKFRS”) issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and the Hong Kong Companies Ordinance.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for leasehold land and buildings in Hong Kong, buildings in the People’s Republic of China (the “PRC”) and certain financial instruments, which are measured at revalued amounts or fair values.

(c) Functional and presentation currency

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

4. TURNOVER

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. Turnover represents the net invoiced value of goods sold which is the most significant category of revenue during the year.

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Segment information is presented in respect of the Group’s business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group in making operating and financial decisions.

(a) Business segment

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) Geographical segments

The Group's turnover is mainly derived from customers located in Europe, North and South America, Asia and Australia while the Group's business activities are conducted predominantly in Hong Kong and the PRC.

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

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Europe	415,835	343,137
North and South America	168,258	90,238
Asia	149,904	92,116
Australia	24,404	17,081
Africa	10,929	10,319
	<u>769,330</u>	<u>552,891</u>

The following is an analysis of the carrying amount of segment assets, analysed by the geographical area in which the assets are located:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	191,855	198,750
PRC (excluding Hong Kong)	243,937	229,966
	435,792	428,716
Goodwill	1,403	1,403
	<u>437,195</u>	<u>430,119</u>

The following is an analysis of capital expenditure, analysed by the geographical area in which the assets are located:

	2009	2008
	HK\$'000	<i>HK\$'000</i>
Hong Kong	3,003	97
PRC (excluding Hong Kong)	22,629	23,327
	25,632	23,424

6. PROFIT FROM OPERATIONS

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

	2009	2008
	HK\$'000	<i>HK\$'000</i>
Auditors' remuneration	645	625
Cost of inventories recognised as an expense	636,227	439,020
Depreciation of property, plant and equipment		
– owned	14,396	12,731
– held under finance leases	1,523	1,112
Amortisation of payments for leasehold land held for own use under operating leases	71	74
Exchange loss/(gain), net	2,874	(350)
Loss on disposal of property, plant and equipment, net	63	288
Impairment/(reversal of impairment) of trade receivables	1,000	(68)
Minimum lease payments under operating leases	2,259	1,660
Research and development costs (<i>Note</i>)	5,214	3,912
Write-down of inventories	3,253	1,590

Note:

Research and development costs comprised mainly salaries paid to engineers who are responsible for the research and development functions. Such amounts were included in staff costs.

7. INCOME TAX EXPENSE

The amount of taxation charged/(credited) to the consolidated income statement represents:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
– tax for the year	4,592	1,578
– (over)/under provision in respect of prior years	(375)	198
Current tax – PRC Enterprise Income Tax (“EIT”)		
– tax for the year	2,735	96
– over provision in respect of prior years	(52)	–
	<u>6,900</u>	<u>1,872</u>
Deferred tax		
– current year	(422)	(676)
– over provision in respect of prior years	–	(848)
– attributable to decrease in tax rate	–	(113)
	<u>(422)</u>	<u>(1,637)</u>
Income tax expense	<u><u>6,478</u></u>	<u><u>235</u></u>

No provision for profit tax for group entities in the Cayman Islands or the British Virgin Islands has been made as these entities had no income assessable for profit tax in these jurisdictions for current and prior years. On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced the corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/09. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2008: 17.5%) of the estimated assessable profits for the year.

Pursuant to the new PRC EIT Law promulgated on 16 March 2007, the EIT rate for foreign-invested enterprises will be unified at 25% effective from 1 January 2008. The new law and related implementation regulations will change the tax rate from 33% to 25% for all group entities in the PRC from 1 January 2008 onwards.

8. DIVIDENDS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interim, paid HK\$0.027 (2008: HK\$0.023) per share	11,700	9,967
Final, proposed HK\$0.013 (2008: HK\$0.015) per share	5,633	6,500
Special, proposed HK\$0.01 (2008: HK\$ Nil) per share	<u>4,333</u>	<u>–</u>
	<u>21,666</u>	<u>16,467</u>

The directors recommended a final dividend of HK\$0.013 per share and a special final dividend of HK\$0.01 per share (2008: a final dividend of HK\$0.015 per share). These proposed dividends are not reflected as a dividend payable at 31 March 2009. They are reflected as appropriations of retained profits according to the HKAS 10 “Events After the Balance Sheet Date”.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2009	2008
Profit for the year (<i>HK\$'000</i>)	<u>50,956</u>	<u>17,690</u>
Weighted average number of ordinary shares in issue (<i>thousands</i>)	<u>433,336</u>	<u>407,362</u>
Basic and diluted earnings per share (<i>HK cents</i>) (<i>Note</i>)	<u>11.759</u>	<u>4.343</u>

Note:

There were no dilutive potential ordinary shares in issue during the year ended 31 March 2009.

10. TRADE AND BILLS RECEIVABLES

In general, the credit terms granted by the Group ranged from 14 to 90 days.

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Trade receivables	98,006	69,982
Bills receivables	<u>7,080</u>	<u>16,317</u>
	<u>105,086</u>	<u>86,299</u>

The aging analysis of trade receivables, net of impairment, prepared based on invoice date is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Aged:		
Within 60 days	73,583	56,885
61 – 120 days	20,760	12,405
121 – 365 days	3,283	212
More than 365 days	<u>380</u>	<u>480</u>
	<u>98,006</u>	<u>69,982</u>

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

11. TRADE PAYABLES

In general, the credit terms granted by suppliers ranged from 30 to 120 days. The aging analysis of trade payables prepared based on invoice date is as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Aged:		
Within 60 days	56,904	39,975
61 – 120 days	1,489	26,633
121 – 365 days	483	2,831
More than 365 days	<u>550</u>	<u>629</u>
	<u>59,426</u>	<u>70,068</u>

DIVIDEND

The Board now recommends the payment of a final dividend of HK1.3 cents per share and a special final dividend of HK1 cent per share (2008: a final dividend of HK1.5 cents and no special final dividend) for the year ended 31 March 2009, amounting to approximately HK\$9.97 million (2008: HK\$6.5 million), payable to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 15 September 2009. Together with the interim dividend of HK2.7 cents per share, paid on 22 January 2009 (2008: HK2.3 cents) amounting to HK\$11.70 million (2008: HK\$9.97 million), the total dividends for the year ended 31 March 2009 will be HK5 cents per share (2008: HK3.8 cents). Subject to the approval of shareholders with regard to the proposed payment of the final dividend and special final dividend at the forthcoming annual general meeting, the dividend warrants will be dispatched to shareholders on or about Friday, 25 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10 September 2009 to Tuesday, 15 September 2009, 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 special final dividend and/or to ascertain the right to attend the forthcoming annual general meeting of the Company, all transfers of shares duly accompanied by the relevant share certificates and the appropriate transfer forms must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 9 September 2009. The last day in Hong Kong of dealings in the shares with entitlement to final dividend and special final dividend will be on Monday, 7 September 2009. Shares of the Company will be traded ex-dividend as from Tuesday, 8 September 2009.

BUSINESS REVIEW

The Group designs, manufactures and sells electrical hair care products, electrical health care products and other small household electrical appliances. During the year under review, it achieved encouraging overall business performance. For the year ended 31 March 2009, the turnover and net profit of the Group were HK\$769,330,000 and HK\$50,956,000 respectively, representing an increase of 39.1% and 188% as compared to HK\$552,891,000 and HK\$17,690,000 in the last financial year.

We now market our products in approximately 52 countries. Hair care products which accounted for 96.2% of our total turnover included hairdryer, hair straightener, air brush, curling iron, drop tong, split tong and hair crimper. The remaining 3.8% of the total turnover was from health/personal products and kitchenware products which included electric massager, footbath, facial sauna, hot sterilizer, wax heater, coffee maker, juicer, ice crusher, vacuum cleaner and torch. Products of the two streams are sold by the Group through importers and brand owners to beauty supply retailers and wholesalers, chain stores, mass merchandisers, warehouse clubs, catalogue and grocery stores. Currently, the four major clients on group basis accounted for approximately 74% of total turnover. During the year under review, the Group secured 6 new clients.

The Group has been relentless on product research and development and pushing for advancement in production technology. It continued to conduct research and development of new products during the year to satisfy specific demands of clients. During the year under review, the Group introduced more than 20 brand new hair care products. Besides, in order to improve product quality and ensure its products meeting the requirements of various new EU regulations, the Group also injected more resources into its professional laboratories.

In the wake of a global economic downturn that some called the most severe in a century, the Group has set up a risk management committee comprising two executive directors and the financial controller to make sure that it is able to promptly respond to changes in the economic and market environment. The Group has identified different risk categories and taken measures to address them.

PROSPECTS

We expect the coming 2009/2010 financial year to be another challenging year, but that it will also be full of opportunities for the Group. The Group will exercise prudence in looking for the right opportunities amid challenges in its strive to develop and strengthen business.

Our new plant in Changping, Dongguan, the PRC commenced production in March 2009 and will eventually boost our overall production capacity by approximately 30% increasing our annual production from approximately eight million units to eleven million units. We are positive about our ability to gain a bigger share of the market in the future and enjoy cost benefit from economies of scale.

The current financial crisis has undoubtedly affected every business corporation including some of our clients who, in their bid to release liquidity pressure, have taken the approach of first selling their stocks before placing new orders. Some of our clients have also requested us to shorten delivery time. Such orders had increased by 30% in the first quarter of 2009. Anticipating such ordering pattern changes, the Group has been prepared to hasten production and logistic arrangement to meet the needs of those clients. Although the Group is well-known for its innovative products of high-quality and competitive prices, it will not be complacent. It will work hard on securing more orders from existing cooperative projects with key clients and enhancing its products so as to cater to demand for medium and high-end products. With the slowdown in the increase in the prices of raw materials and labour costs, the Group has been able to stabilise related expenditure and in turn improve its profit margin. We will continue to look for ways to reduce distribution, general and administrative expenses, while striving for market expansion and bigger shares in high-growth areas such as the PRC. We expect revenue from Asia to continue to grow rapidly.

The Group will continue to focus on strengthening its research and development capabilities for developing innovative products with strong value-added features that can help improve its margin. The strategic focus of the Group remains to be developing better lifestyle products in ODM, OEM and OBM modes instead of traditional electrical appliances. It will also develop its own “Kario” in the PRC market and explore more business opportunities in other new products categories and other niche markets. We will push for organic growth by exploring business opportunities promising synergy with our business strategies. The endeavour will allow us to create greater value for our shareholders.

FINANCIAL REVIEW

For the year ended 31 March 2009, the Group recorded a turnover of HK\$769,330,000 (2008: HK\$552,891,000), representing a notable increase of approximately 39.1% against the last financial year. Turnover attributable to the sales of electrical hair care products accounted for approximately HK\$740,476,000, representing approximately 96.2% of the turnover of the Group. The increase in turnover of the Group was attributable to the success of several new products launched during the year under review and the Group having secured bigger market shares in Europe, America and Asia. Turnover from Europe, America and Asia increased to HK\$415,834,000, HK\$168,258,000 and HK\$149,904,000, up by 21.2%, 86.5% and 62.7%, respectively.

Gross profit margin of the Group was approximately 17.3% for the year versus 20.6% last year and net profit margin was 6.6%, an increase from 3.2% and a decrease from 10.6% (excluding the loss arising from certain structured financial arrangements) in the last financial year. The narrower gross profit margins were the result of rise in raw material and labour costs. However, the rise in material costs slowed down towards the end of the year and the management has been working hard on identifying alternative material sources to control material expenses.

The percentages of distribution costs and administrative expenses to turnover were about 1.2% and 9.1% respectively.

CAPITAL STRUCTURE

The market capitalisation of the Company as at 31 March 2009 was approximately HK\$110,501,000.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2009, the Group had approximately HK\$116,263,000 cash and cash equivalents balances (2008: HK\$126,680,000). The Group's net current assets were approximately HK\$126,917,000 (2008: HK\$108,553,000). The net debt to equity ratio (the interest bearing borrowings less cash over total equity) as at 31 March 2009 was net cash while that as at 31 March 2008 was 0.6%. The current ratio of the Group as at 31 March 2009 was maintained at 1.8 (2008: 1.6). The Group is in a healthy liquidity position and has sufficient financial resources to meet the requirements of its ordinary operation and capital expenditure.

As at 31 March 2009, the Group had aggregate banking facilities of HK\$212,873,000 (2008: HK\$241,800,000), of which HK\$109,309,000 (2008: HK\$127,900,000) was used. The interest rate varies from HIBOR/LIBOR plus 0.4% to 1.5%. The decrease in banking facilities was from repayment of term loans and consolidation of unused banking facilities. The Group continued to enjoy strong support from major bankers and maintain a reasonable amount of banking facilities during the year under review.

CHARGES ON ASSETS

The Group had no charges on assets as at 31 March 2009 (2008: 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 the HK dollars has been pegged to the US dollars, the Group's exposure to the currency risk in US dollars has been minimal. Most of the Group's liquid fund was placed in principal guaranteed short-term dual currencies deposits in various banks during the year under review. The management takes a prudent approach in minimising risks from exposure to Renminbi fluctuation by maintaining 100% capital protection short-term deposit with banks at a reasonable yield.

STAFF AND REMUNERATION POLICIES

As at 31 March 2009, the Group had approximately 60 employees (2008: 54) in Hong Kong. It operates a defined contribution pension scheme. As for the number of full-time and seasonal workers employed by its factories in China, it was maintained at approximately 2,987 (2008: 3,300) during the year under review.

People are our most important asset and are indispensable to our success in the competitive marketplace. We thus offer comprehensive remuneration packages and provide various fringe benefits, including training, medical and insurance coverage, as well as retirement benefits. During the year under review, the Group organised internal training courses at least once a month for staff at all levels and provided external training courses to some senior executives. Topics of the training courses included moral, ethic, languages, technical and management skills. The Group also organised hundreds of on-the-job training programmes at its production plants in PRC and principal office in Hong Kong.

The Group has in place a share option scheme for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of its operations. As at 31 March 2009, 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 of 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 2009.

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 2009, except for the deviation from the CG Code Provision A.2.1. Under this CG code, the roles of chairman and chief executive officer should be separate 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.

DIRECTORS’ SECURITIES TRANSACTIONS

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 2009.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established to formulate remuneration policy for the Board’s approval. It has adopted the terms of reference in line with the CG Code Provisions set out in the CG Code under Appendix 14 of the Listing Rules. The Remuneration Committee comprises three independent non-executive directors namely, Mr. Chiu Fan Wa, Mr. Li Chi Chung, Mr. Li Tat Wah and two executive directors namely, Mr. Lam Wai Ming and Mr. Tam Chi Sang. Mr. Li Tat Wah was appointed as the chairman of the Remuneration Committee.

NOMINATION COMMITTEE

The nomination committee of the Company (the “Nomination Committee”) was established to formulate nomination policy for consideration by the Board and to implement the nomination policy laid down by the Board. It has adopted the terms of reference in line with the CG Code Provisions set out in the CG Code under Appendix 14 of the Listing Rules. The Nomination Committee comprises three independent non-executive directors namely, Mr. Chiu Fan Wa, Mr. Li Chi Chung and Mr. Li Tat Wah. Mr. Chiu Fan Wa was appointed as the chairman of the Nomination Committee.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) was established on 29 April 2005 with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three independent non-executive directors namely Mr. Chiu Fan Wa, Mr. Li Chi Chung and Mr. Li Tat Wah. 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 has reviewed with the management the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group for the year ended 31 March 2009.

ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders of the Company will be held at 10:30 a.m. on Tuesday, 15 September 2009 at Function room 8 & 9, 1st Floor, The Mira Hong Kong, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong and the Notice of Annual General Meeting will be published and dispatched to the shareholders in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.kenford.com.hk and www.irasia.com/listco/hk/kenford under “Results Announcement”. The annual report for the year ended 31 March 2009 will be dispatched to the shareholders and published on the above websites in due course.

By Order of the Board
Lam Wai Ming
Chairman

Hong Kong, 17 July 2009.

As at the date hereof, the board of Directors comprises two executive Directors, namely Mr. Lam Wai Ming (Chairman) and Mr. Tam Chi Sang (Managing Director) and three Independent Non-executive Directors, namely Mr. Chiu Fan Wa, Mr. Li Chi Chung and Mr. Li Tat Wah.