STRATEGIC FINANCIAL RELATIONS LIMITED
縱橫財經公關顧問有限公司

[For immediate release]

建福集團控股有限公司
KENFORD GROUP HOLDINGS LIMITED

Kenford Announces 2009/2010 Interim Results
Turnover Reaches HK$282,199,000 Million
with Net Profit HK$20,092,000

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Orders From Customers Gradually Picking Up Since the 2nd Quarter of the Financial Year

(Hong Kong, 11 December 2009) – **Kenford Group Holdings Limited** ("Kenford" or the "Group") (stock code: 464), a leading player in the design, manufacture and sale of a wide range of electrical hair care and health care products, announced its half-year results for the period ended 30 September 2009.

During the period under review, the Group recorded a turnover of HK$282.2 million (FY09 interim: HK$399.3 million). Turnover attributable to sales of electrical hair care products was approximately HK$271.5 million, representing approximately 96.2% of the turnover of the Group. The decreases in overall turnover reflected mainly the delay in placing new orders by customers trying to avoid overstocking. The Group's net profit was HK$20.1 (FY09 interim: HK$39.4 million). Basic earnings per share were HK4.637 cents (FY09 interim: HK9.086 cents).

Gross profit and net profit margin of the Group was approximately 19.4% and 7.1% respectively (FY09 interim: 19.1% and 9.9% respectively). The profit margin narrowed because of some unavoidable fixed costs such as depreciation and remuneration. However, the management has been working hard on identifying alternative material sources to help cap material expenses and rationalize distribution costs and administration expenses.

Mr. Lam Wai Ming, Albert, Chairman of Kenford, said, "We are pleased to deliver steady performance amid the challenging economic environment. Since the financial crisis broke out in the second half of 2008, some clients resorted to first selling their stocks before order new to release liquidity pressure, and some major customers requested to lower the selling price, which unavoidably affected the sales and profitability of the Group. Nevertheless, we see that orders from these customers started to return in the second quarter of the financial year. With our solid foundation and leading position in the industry, we are optimistic towards the prospects of the Group"

During the period under review, the Group has secured bigger market shares in Asia, mainly the PRC, which reflects the success of the Group's products and the faster economic growth in the PRC. Turnover from Asia increased to HK$72.2 million, up by 8.2%, whereas that from Europe and America was down to HK$138.2 million and HK$57.8, by 43.2% and 25.6% respectively.

The Group maintained a healthy liquidity position and has sufficient financial resources to meet ordinary operational and capital expenditure requirements. As at 30 September 2009, the Group had approximately HK$98.6 million in cash and cash equivalents (as at 31 March 2009: HK$116.3 million). The Group's current ratio as at 30 September 2009 was maintained at 1.7 (as at 31 March 2009: 1.8). As at 30 September 2009, the Group has aggregate banking facilities of HK$222.4 million (as at 31 March 2009: HK$212.9 million), of which HK$92.2 million was utilized. The Group continued to receive strong support from major banks and maintain a reasonable amount of banking facilities during the six months ended 30 September 2009.

In line with the Group's target to pay out dividend at not less than 30% of net profit, the Board recommended payment of an interim dividend of HK 1.5 cents per share for the six months ended 30 September 2009 (FY09 interim: HK 2.7 cents)

Looking ahead, 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. To address unstable raw material prices and labour costs, the Group will seek to stabilize cost by reducing distribution, general and administrative expenses and other spending. The Group will continue to expand its market presence and strive for better shares in high-growth areas such as the PRC. It is expected that revenues from Asia will continue to grow rapidly. Guided by the motto of "Better Idea, Better Design, Better Quality", the Group will continue to develop its own brand "Kario" in the PRC market and explore more business opportunities in other new product categories and other niche markets.

"This financial year is undoubtedly filled with both challenges and opportunities for the Group. We will continue to diligently control cost and maintain profit by implementing cost optimization programmes and enhancing our products. The Group is reputable for its innovative and high quality products at competitive prices. We will continue to work hard on securing more orders from existing clients and enhancing our products so as to capture the market for mid-range and high-end products. Armed with a scalable operation and strong financial position, we are confident that Kenford can well-prepared to capture the business growth amid the economic recovery," **Mr. Lam** concluded.

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About Kenford Group Holdings Limited (Stock code: 464)

Established in 1984, Kenford Group Holdings Limited is a leading player in the design, manufacture and sale of a wide range of electrical hair care and health care products. Boasting quality products and industry expertise, Kenford enjoys long-term, solid partnership with world-renowned electrical appliances corporations including the Nasdaq-listed Spectrum Brand (Product brand name: Remington), the top Spanish electrical appliances company Ufesa, and well-known hair care products brands such as Vidal Sasson and Revlon under Helen of Troy, Unix and Princess. The Group also operates OBM business and started its own brand "Kario" in 2007, reflecting fully its product development capability.

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