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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: 00464)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Insider Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors of the Company that based on the preliminary review of the unaudited consolidated management accounts of the Group for the financial year ended 31 March 2016, the management of the Company expects that the Group will record a loss attributable to owners of the Company for the financial year ended 31 March 2016 as compared to a profit attributable to owners of the Company of approximately HK\$793,000 for the financial year ended 31 March 2015.

Shareholders and potential investors of the Company are advised to 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**”) and the Insider Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the Shareholders and potential investors of the Company that based on the preliminary review of the unaudited consolidated management accounts of the Group for the financial year ended 31 March 2016, the management of the Company expects that the Group will record a loss attributable to owners of the Company for the financial year ended 31 March 2016 as compared to a profit attributable to owners of the Company of approximately HK\$793,000 for the financial year ended 31 March 2015.

The expected loss is primarily attributable to:-

1. The decrease in sales of approximately 11% as compared to the last financial year ended 31 March 2015, as a result of a decrease in orders from the European and Asian markets which outweighed the recovery of demand from the American market;
2. The increase in statutory minimum wages of approximately 15% in the Mainland China as compared to the last financial year ended 31 March 2015;
3. The unrealized net fair value loss of approximately HK\$3 million on equity investment as a result of the substantial downturn in the Hong Kong stock market;
4. The loss on disposal of machinery of approximately HK\$1 million; and
5. The loss on exchange difference of approximately HK\$1 million as a result of accumulated effect of the normal conversion of foreign currency to base currency during the reporting period.

Despite the expectation of the management of the Company that the Group will record a loss for the financial year ended 31 March 2016, the Board considers that the existing business operation, the financial position and cash level of the Group remain healthy.

As the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for the financial year ended 31 March 2016 which have yet to be finalized and such information have not been reviewed by the Company's independent auditors and the audit committee of the Company, shareholders and potential investors of the Company are advised to read carefully the final results announcement of the Company for the financial year ended 31 March 2016 which is expected to be published by the end of June 2016.

Shareholders and potential investors of the Company are advised to 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, 6 May 2016

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 three Independent Non-Executive Directors, namely Mr. Chiu Fan Wa, Mr. Choi Hon Keung and Mr. Li Chi Chung.

Website: www.kenford.com.hk