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## DEFINITIONS

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*Unless the context otherwise requires, the following expressions have the following meanings in this prospectus. Certain other terms are explained in the section headed “Glossary of Technical Terms”*

“Application Form(s)”	<b>WHITE</b> application form(s), <b>YELLOW</b> application form(s) and <b>GREEN</b> application form(s), individually or collectively, as the context may require
“Articles of Association” or “Articles”	our articles of association, as adopted on 22 September 2012, and as amended from time to time, a summary of which is contained in Appendix IV to this prospectus
“associate”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“BDT Business”	the assembly of the BDT Products, being one of the business operations of BDT-Zhuhai
“BDT-Germany”	BDT Media Automation GmbH, a company incorporated in Germany on 5 October 2010, and was owned by an Independent Third Party as at the Latest Practicable Date. BDT-Germany is an Independent Third Party and has no other past or present relationship with our Company, our subsidiaries, their shareholders, directors, senior management or any of the respective associates save for BDT-Germany being one of our customers during the Track Record Period and being a party to the BDT Sale and Purchase Agreement
“BDT Guarantee Agreement”	the guarantee agreement dated 29 March 2012 entered into between BDT-Germany and our Company
“BDT Manufacturing Agreement”	the agreement dated 24 July 2012 entered into between BDT-Germany and our Group relating to, among others, business and logistics arrangement for the assembly of the BDT Products

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“BDT Products”	all data storage relating products, data storage automation products, currently being servers for use by computer systems companies, produced by the BDT Business which includes the FlexStor II platform and RD Stor platform. The FlexStor II platform is a semi-finished data storage automation product and the RD Stor platform is a completely finished data storage automation product
“BDT Sale and Purchase Agreement”	the sale and purchase of business agreement dated 29 March 2012 entered into among BDT-Germany, BDT-Zhuhai and our Company relating to the acquisition of the BDT Business
“BDT-Zhuhai”	比迪特自動化科技(珠海保稅區)有限公司 (BDT Automation Technology (Zhuhai FTZ) Co., Ltd.), a company incorporated in PRC on 17 November 2005 and a wholly-owned subsidiary of BDT-Germany. BDT-Zhuhai is an Independent Third Party and has no other past or present relationship with our Company, our subsidiaries, their shareholders, directors, senior management or any of the respective associates save for BDT-Zhuhai being one of our customers during the Track Record Period and being a party to the BDT Sale and Purchase Agreement
“Board of Directors” or “Board”	our board of Directors
“Business Day”	a day (other than a Saturday or a Sunday) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“Capitalisation Issue”	the issuance of Shares to be made upon the capitalisation of the share premium account of the Company as referred to in “Appendix V – Statutory and General Information – Further Information about our Company and its subsidiaries – Resolutions in writing of the sole Shareholder passed on 22 September 2012”
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

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“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant, who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“CCID”	CCID Consulting Company Limited (賽迪顧問股份有限公司), an information service company and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8235), and an Independent Third Party
“CCID Report”	the report entitled 中國精密金屬結構件市場研究報告 (China Precision Metal Engineering Industry Research Report*) issued by CCID dated 21 September 2012
“Chairman”	chairman of our Board
“China” or “PRC”	the People’s Republic of China, which for the purpose of this prospectus and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	KFM Kingdom Holdings Limited (KFM金德控股有限公司), an exempted company incorporated in the Cayman Islands on 13 July 2011 with limited liability
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

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“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to KIG, Mr. Peter Sun, Mr. David Wong, Mr. Yau Lam Chuen, Mr. Yung Ching Tak, Mr. Banson Lam, Mr. Chan Lin On and Mr. Yeung Man Chiu
“Controlling Shareholders Deed of Non-Competition”	a deed of non competition entered into by the Controlling Shareholders in favour of our Company on 22 September 2012
“Customer A”	our largest customer in terms of revenue for the financial year ended 31 March 2012 and a product sourcing company that provides sourcing for manufacturers in consumer electronics products
“DBS”	DBS Asia Capital Limited
“Deed of Indemnity”	the deed of indemnity dated 22 September 2012 and entered into among our Controlling Shareholders and our Company with particulars set forth in the section headed “16. Estate duty, tax and other indemnities” in Appendix V to this prospectus
“Director(s)”	the director(s) of the Company or any one of them
“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) promulgated by the NPC on 16 March 2007 and which became effective on 1 January 2008
“GDP”	gross domestic product
“Global Offering”	the Hong Kong Public Offering and the International Placing

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“Gold Joy”	Gold Joy (HK) Industrial Limited (金怡 (香港)實業有限公司), a company incorporated in Hong Kong with limited liability on 9 March 2011 and was owned as to 52.94% by Mrs. Chow Suen Christina, 17.65% by Mr. Yau Lam Chuen, 17.65% by Mr. David Wong and 11.76% by Mr. Yung Ching Tak as at the Latest Practicable Date. As Mrs. Chow Suen Christina, a connected person upon Listing, owned 52.94% of the entire issued share capital of Gold Joy, Gold Joy is a connected person under the Listing Rules
“GREEN application form(s)”	the application form(s) to be completed by the HK eIPO White Form Service Provider, designated by our Company
“Group”, “our Group”, “we”, “our” or “us”	our Company and its subsidiaries or, where the context so requires, with respect to the period before which our Company became the holding company of its current subsidiaries, our Company’s current subsidiaries or the businesses operated by such subsidiaries or their predecessors (as the case may be)
“HK\$” or “Hong Kong dollars”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HK eIPO White Form”	applying for Hong Kong Public Offer Shares to be issued in your own name by submitting applications online through the designated website at <b>www.hkeipo.hk</b>
“HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company, as specified on the designated website at <b>www.hkeipo.hk</b>
“HKFRS”	Hong Kong Financial Reporting Standards
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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“Hong Kong Public Offer Shares”	the 15,000,000 Shares initially being offered for subscription at the Offer Price under the Hong Kong Public Offering (subject to adjustment as described in the section headed “Structure and Conditions of the Global Offering” in this prospectus)
“Hong Kong Public Offering”	the offer by our Company of the Hong Kong Public Offer Shares for subscription by the public in Hong Kong as described in “Structure and Conditions of the Global Offering” at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% of the Offer Price) and on and subject to the terms and conditions stated herein and in the Application Forms relating thereto
“Hong Kong Share Registrar”	Tricor Investor Services Limited
“Hong Kong Underwriter”	DBS, being the sole underwriter of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the conditional Hong Kong underwriting agreement dated 27 September 2012 relating to the Hong Kong Public Offering entered into by, among others, the Company, the Sole Global Coordinator and the Hong Kong Underwriter
“Independent Third Party”	a party which is not connected (as defined in the Listing Rules) to our Company or our connected persons
“Innotech”	Innotech Advanced Products Limited (匯德產品發展有限公司), a company incorporated in Hong Kong on 12 September 2006 with limited liability and was owned as to 71% by Gold Joy and as to 29% by Mr. Alan Suen as at the Latest Practicable Date, and is a connected person of our Company under the Listing Rules and a party to the Products Master Agreement and the Tooling Master Agreement
“Innotech Deed of Non-Competition”	a deed of non-competition entered into by the Innotech Group and Kingdom Innovative Group in favour of our Company on 22 September 2012

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“Innotech Group”	Innotech and its wholly-owned subsidiary 東莞德鎂精密機電產品有限公司 (Dongguan Tech-in Electrical & Mechanical Products Limited), which is a wholly foreign owned enterprise established in the PRC on 30 September 2006 with limited liability
“International Offer Shares”	the 135,000,000 Shares initially being offered for subscription by our Company at the Offer Price under the International Placing (subject to adjustment as described in the section headed “Structure and Conditions of the Global Offering” in this prospectus) together with (unless the context otherwise requires) any Shares issued pursuant to any exercise of the Over-allotment Option
“International Placing”	the conditional placing by the International Underwriters of the International Offer Shares for cash at the Offer Price plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% of the Offer Price, details of which are described in the section headed “Structure and Conditions of the Global Offering” in this prospectus on and subject to the terms and conditions stated herein and in the International Placing Agreement
“International Placing Agreement”	the conditional placing and purchase agreement relating to the International Placing and to be entered into by, among others, the Company and the Sole Global Coordinator on behalf of the International Underwriters on or about the Price Determination Date
“International Underwriters”	the group of underwriters led by the Sole Global Coordinator, who are expected to enter into the International Placing Agreement
“KFM-BVI”	KFM Group Limited (KFM集團有限公司), a company incorporated in the BVI on 28 June 2011 with limited liability and a direct wholly-owned subsidiary of our Company
“KFM-HK”	Kingdom Fine Metal Limited (金德精密五金有限公司), a company incorporated in Hong Kong on 13 October 1989 with limited liability and an indirect wholly-owned subsidiary of our Company

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“KFM-Investment”	KFM Kingdom Investment Limited (金德集團投資有限公司), a company incorporated in Hong Kong on 28 June 2011 with limited liability and an indirect wholly-owned subsidiary of our Company
“KFM-Management”	KFM Kingdom Management Limited (金德集團管理有限公司), a company incorporated in Hong Kong on 28 June 2011 with limited liability and an indirect wholly-owned subsidiary of our Company
“KFM-Shenzhen”	金德鑫科技(深圳)有限公司 (Kingdom Technology (Shenzhen) Co., Ltd.*), a wholly foreign owned enterprise established in the PRC on 6 April 2011 with limited liability and an indirect wholly-owned subsidiary of our Company
“KFM-Shenzhen Factory”	深圳市順安金德實業製品來料加工廠 (Shenzhen Shunan Kingdom Contract Processing Factory*), being the PRC factory operated by 深圳市順安外資實業發展有限公司 (Shenzhen Shunan Foreign Investment Industrial Development Company Limited*) as the existing Chinese partner and KFM-HK as the foreign party under a processing arrangement, details of which are set out in the section headed “History and Development – Corporate History and Reorganisation – Our Corporate History” in this prospectus
“KIG”	Kingdom International Group Limited, a company incorporated in the BVI on 20 March 2003 with limited liability and one of our Controlling Shareholders
“Kingdom Innovative”	Kingdom Innovative Storage Systems Limited (金德創意有限公司), a company incorporated in Hong Kong on 14 February 2000 with limited liability and was owned as to 87% by Gold Joy and 13% by Mr. Alan Suen as at the Latest Practicable Date, and is a connected person of our Company under the Listing Rules
“Kingdom Innovative Group”	Kingdom Innovative and its wholly-owned subsidiary 匯德創意金屬產品(深圳)有限公司 (Innotech Advanced Creative Metal Products (Shenzhen) Limited*), which is a wholly foreign owned enterprise established in the PRC on 10 February 2002 with limited liability and has been deregistered as at the Latest Practicable Date



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“KPP-HK”	Kingdom Precision Product Limited (金德精密配件有限公司), a company incorporated in Hong Kong on 13 March 2002 with limited liability and an indirect wholly-owned subsidiary of our Company
“KPP-Suzhou”	金德精密配件(蘇州)有限公司 (Kingdom Precision Product (Suzhou) Co., Ltd.), a wholly foreign owned enterprise established in the PRC on 29 April 2002 with limited liability and an indirect wholly-owned subsidiary of our Company
“KRP-HK”	Kingdom (Reliance) Precision Parts Manufactory Limited (金德(利賚)五金零件制品有限公司), a company incorporated in Hong Kong on 11 December 1996 with limited liability and an indirect wholly-owned subsidiary of our Company
“KRP-Shanghai”	金德利賚精密機電部件(上海)有限公司 (Kingdom Reliance Mechatronic Components (Shanghai) Mfy. Ltd*), a wholly foreign owned enterprise established in the PRC on 26 September 2002 with limited liability and an indirect wholly-owned subsidiary of our Company
“KRP-Shenzhen”	德利賚精密五金製品(深圳)有限公司 (Kingdom (Reliance) Precision Parts (Shenzhen) Mfy. Limited*), a wholly foreign owned enterprise established in the PRC on 15 February 2007 with limited liability and an indirect wholly-owned subsidiary of our Company
“Latest Practicable Date”	21 September 2012, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	the date expected to be on or about 15 October 2012 on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

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“Macau”	the Macau Special Administrative Region of the PRC
“Ministry of Commerce”	the Ministry of Commerce of the People’s Republic of China (中華人民共和國商務部)
“Mr. Alan Suen”	Mr. Suen Fai Chuen Alan (孫暉銓) (formerly known as Mr. Suen Kwok Chong (孫國昌)), being (i) the younger brother of Mr. Peter Sun and Mrs. Chow Suen Christina, our executive Directors; (ii) the uncle (表舅父) of Ms. Jiang Yaye, our Group’s sales director; and (iii) the uncle (表舅父) of Mr. He Lin, our senior management
“Mr. Banson Lam”	Mr. Lam Kin Shun (林健信), our executive Director and one of our Controlling Shareholders
“Mr. David Wong”	Mr. Wong Chi Kwok (黃志國), our executive Director and one of our Controlling Shareholders
“Mr. Peter Sun” or “Founder”	Mr. Sun Kwok Wah Peter (孫國華), the chairman of our Board, our executive Director, one of our Controlling Shareholders and the founder of our Group
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“Offer Price”	the final Hong Kong dollar price per Offer Share (before brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%) at which Shares are to be subscribed or purchased pursuant to the Global Offering, which will be not more than HK\$0.68 and is expected to be not less than HK\$0.55, to be determined as described in the section headed “Structure and Conditions of the Global Offering – Determining the Offer Price” of this prospectus
“Offer Shares”	the Hong Kong Public Offer Shares and the International Offer Shares

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“Over-allotment Option”	the option to be granted by our Company to the International Underwriters under the International Placing Agreement pursuant to which our Company may be required by the Sole Global Coordinator (on behalf of the International Underwriters), to allot and issue up to 22,500,000 additional new Shares, representing 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to cover (solely) over-allocations in the International Placing, if any
“Over-allotment Shares”	up to 22,500,000 Shares which our Company may be required to issue at the Offer Price pursuant to the Over-allotment Option
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended at the Eighteenth Session of the Standing Committee of the Tenth NPC on 27 October 2005, effective from 1 January 2006 (2005 Amendment), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisers”	GFE Law Office, our legal advisers as to PRC laws
“Price Determination Date”	the date, expected to be on or about 8 October 2012 (Hong Kong time), when the Offer Price is determined and, in any event, no later than 11 October 2012
“Products Master Agreement”	the agreement dated 22 September 2012 entered into by Innotech (on its own behalf and as trustee for the benefit of the other members of the Innotech Group) and KFM-BVI (on its own behalf and as trustee for the benefit of other members of our Group) in relation to the sale and purchase of metal and plastics parts and components and spare metal parts, further details of which are set out in the section headed “Continuing connected transactions” of this prospectus
“Province” or “province”	each being a province or, where the context requires, a provincial level autonomous region or a provincial-level city under the direct supervision of the central government of the PRC

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“Regulation S”	Regulation S under the US Securities Act
“Reorganisation”	the reorganisation arrangements undertaken by our Group in preparation for the Listing, which are described in more detail in the sections headed “History and Development” and “Appendix V – Statutory and General Information – Further Information about our Group – Reorganisation” of this prospectus
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration for Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of our Company
“Shareholder(s)”	holder(s) of Shares
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 22 September 2012, the principal terms of which are summarised in “Appendix V – Statutory and General Information – Other Information – Share Option Scheme”
“Sole Global Coordinator”, “Sole Sponsor”, “Sole Bookrunner” and “Sole Lead Manager”	DBS
“sq.ft.”	square feet
“sq.m.”	square metres
“State”, “state”, “PRC government” or “government”	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities thereof or, where the context requires, any of them

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“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into between the Sole Global Coordinator and KIG, pursuant to which the Sole Global Coordinator may borrow up to an aggregate of 22,500,000 Shares from KIG for the purpose of covering over-allocation in the International Placing, if any
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Listing Rules
“Substantial Shareholder”	has the meaning ascribed to it in the Listing Rules
“Tenancy Agreement”	the tenancy agreement dated 20 April 2011, entered into between Mr. Suen Yuen Fu as the landlord and KFM-HK as the tenant, in relation to Block A3, 10th Floor, Yee Lim Industrial Centre, 2-28 Kwai Lok Street, Kwai Chung, New Territories, Hong Kong, details of which are set out in the section headed “Continuing Connected Transactions” of this prospectus
“tonne” or “metric ton”	a unit measuring weight, equal to 1,000 kilograms
“Tooling Master Agreement”	the agreement dated 22 September 2012 entered into by Innotech (on its own behalf and as trustee for the benefit of the other members of the Innotech Group) and KFM-BVI (on its own behalf and as trustee for the benefit of other members of our Group) in relation to the sale and purchase of tooling and moulding products, further details of which are set out in the section headed “Continuing connected transactions” of this prospectus
“Track Record Period”	the period consisting of the three financial years ended 31 March 2012
“Ultimate Customer”	the ultimate customer of Customer A
“Underwriters”	the Hong Kong Underwriter and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Placing Agreement
“United States” or “US”	United States of America

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“US Person”	has the meaning given to it in Regulation S
“US Securities Act”	the United States Securities Act of 1933, as amended
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“WTO”	World Trade Organization
“%”	per cent.

*Unless otherwise specified, statements contained in this prospectus assume no exercise of the Over-allotment Option.*

*All times refer to Hong Kong time.*

*If there is any inconsistency between the Chinese name of the PRC laws and regulations or PRC entities mentioned in this prospectus and their English translation, the Chinese version shall prevail.*

*Unless otherwise specified, amounts denominated in RMB and US\$ have been converted into Hong Kong dollars in this prospectus for the purpose of illustration only and at the rates set forth below:*

HK\$1.24	=	RMB1.00
HK\$7.75	=	US\$1.00

*No representation is made that any amounts in RMB, US\$ or HK\$ can be or could have been converted on the relevant dates at the above rates or at any other rate or at all.*

*Unless otherwise specified, references to years in this prospectus are to calendar years.*

*Translated English names of Chinese natural persons, legal persons, governmental authorities, institutions or other entities for which no official English translation exist are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names of the PRC entities mentioned in this prospectus and their English translations, the Chinese names shall prevail. The provision of English translation of Chinese names marked with “\*” is for identification purposes only.*

*Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.*

*Unless otherwise specified, discussions on and disclosure of financial data under the consolidated statements of comprehensive income are in relation to continuing operations.*