

This press release is not for publication or distribution to persons in the United States, and is not an offer for sale within the United States of any equity shares or any other securities of King's Flair International (Holdings) Limited. No public offering of securities of King's Flair International (Holdings) Limited will be made in the United States.

Securities of King's Flair International (Holdings) Limited including its equity shares, may not be offered or sold in the United States absent registration under U.S. securities laws or an applicable exemption from registration under such laws.

**To: Business Editor
For Immediate Release**



King's Flair International (Holdings) Limited
科勁國際(控股)有限公司

**King's Flair Announces its Proposed Listing
on the Main Board of Stock Exchange of Hong Kong**

**Offer Price Set Between HK\$1.08 and HK\$1.48
Raising up to HK\$298 Million**

***Possess Strong Product Design, Development and Engineering Capabilities
With an Established International Kitchenware Brandowner Customer Base***

(30 December 2014, Hong Kong) Kitchenware products provider **King's Flair International (Holdings) Limited** ("King's Flair" or the "Company" and, together with its subsidiaries, the "Group") is pleased to announce the proposed listing of its shares on the Main Board of the Stock Exchange of Hong Kong Limited ("SEHK").

King's Flair plans to offer an aggregate of 175,000,000 Shares initially (subject to the Over-allotment Option), of which 90% are for International Placing (subject to re-allocation and the Over-allotment Option) and 10% for the Hong Kong Public Offer (subject to re-allocation). The offer price is set between HK\$1.08 and HK\$1.48 per Share. There is an Over-allotment Option to increase the offering size by 15%, an aggregate of 26,250,000 additional Shares. The Hong Kong Public Offer will open at 9:00 a.m. on 31 December 2014 (Wednesday) and close at 12:00 noon on 7 January 2015 (Wednesday). Dealings in the Shares of the Company on the SEHK are expected to commence on 16 January 2015 (Friday). The Shares will be traded under the stock code 6822 in board lots of 4,000 Shares each.

- Cont'd -

Baron Global Financial Services Limited is the sole sponsor of the listing application; while Ping An Securities Limited, Quam Securities Company Limited and South China Securities Limited are the joint bookrunners and joint lead managers.

King's Flair is a provider of kitchenware products with headquarters in Hong Kong for around 25 years. The Group is principally engaged in designing, developing and supplying an extensive assortment of kitchenware products, including but not limited to tools & gadgets, drinkware, bakeware and accessories, food preparation products and storage and accessories mainly for international kitchenware brandowner customers in North America, Europe and Asia who sell products under their own brand names and distribution networks. It also sells kitchenware products to retailers and on-line channels in China.

One of the competitive strengths sustaining King's Flair to be a market player in the kitchenware industry for around 25 years is its strong capability on research, product design, development and engineering. King's Flair has an experienced product design team which is mainly responsible for reviewing and modifying designs provided by customers and also carrying out its own design from scratch. It is also capable of introducing quality kitchenware products that are responsive to customer and market demand.

The Group has established long-standing relationships with several international kitchenware brandowner customers, including Lifetime, Ignite USA and Kai Corporation, some of which possess recognised brand names. King's Flair provides a product mix of kitchenware products with different designs, style, materials, and colour tones in accordance with the preferences and standards as specified by its customers and/or designs recommended by King's Flair. For the financial years ended 31 December 2011, 2012 and 2013 and the six months ended 30 June 2014, the Group's aggregate sales to its five largest customers accounted for approximately 84.1%, 80.5%, 83.3% and 81.8% of total revenue, respectively, and it received orders from over 80 customers in the financial year ended 31 December 2013.

In conducting business with international kitchenware brandowner customers, the Group provides its customers services including market research, concept creation, product design, product development, raw material sourcing, production factory sourcing, production engineering, production control, quality assurance, order tracking and logistics, as well as ancillary service. The Group aims to position itself as a complete one-stop shop on kitchenware products for international kitchenware brandowner customers.

- Cont'd -

The Group has been outsourcing its entire production process to production factories in the PRC. It has established stringent internal control measures and standards for selecting and approving qualified production factories. The Group selects qualified production factories in the PRC based on several factors, including factory scale, factory facilities and equipment quality, standard management skills, financial stability, production capacity and location.

In addition, the Group places emphasis on food safety in relation to its products by implementing comprehensive product testing to ensure compliance with standards for food contact substances. Prior to confirming orders placed by customers, its sales and marketing team communicates with the customer to understand and define their needs, expectations and specifications for products and to adopt or tailor-make a specific quality assurance plan which sets out a list of procedures and measurements to be undertaken to ensure the quality of the products by describing standards, inspection criteria and methodology checks.

Mr. Wong Siu Wah, Alex, Chairman, Executive Director and Chief Executive Officer of King's Flair, said, "We believe that the growth rate of urban populations is tied to the growth rate of kitchenware products. As the urbanization rate of a region increases, the expenditure per household on kitchenware products also increases. On the other hand, we also think that consumers are becoming more aware of the importance of choosing kitchenware products made from healthy and safe materials and thus are getting willing to pay more for better kitchenware products. This will positively stimulate kitchenware sales. As such, we are very optimistic about the development of kitchenware industry."

According to the Euromonitor Report, the global kitchenware market will grow by US\$20.3 billion in new sales over the ten year period of 2009–2018. The majority (53.4%) of these new sales will come from the Chinese market, which will increase in value by US\$10.8 billion. Kitchenware sales in China increased from US\$6.6 billion in 2009 to US\$11.3 billion in 2013, with a CAGR of 14.3%, accounting for a global market share of 9.1% and 13.5% respectively. The retail market size of kitchenware in China is expected to exceed RMB100 billion in the year 2018.

Chairman Wong concluded, "Looking ahead, we will further enhance our presence and expand market share in the global kitchenware industry and fortify our competitive strengths. To achieve these goals, we will further broaden existing customer base and attract more new international kitchenware brandowners. Meanwhile, we will continue to enhance design, development and engineering capabilities, and increase the variety of the designs that meet the needs of our target markets. Furthermore, we will also strive to

- Cont'd -

expand our retail networks and e-commerce in China, and selectively pursue acquisition and strategic alliance opportunities. We expect that the establishment of additional flagship stores and expansion of our sales networks through retailers in the PRC will increase our revenue and revenue stream."

- End -

*Issued by Cornerstones Communications Ltd. on behalf of **King's Flair International (Holdings) Limited** For further information, please contact:*

Cornerstones Communications Ltd.

Ms. Harriet Lau / Ms. Kylie Yeung / Mr. Ivan Kau

Tel: (852) 2903 9290 / 2903 9293 / 2903 9295

Mobile: (852) 9199 2965 / 9489 6845 / 9804 2385

E-mail: harriet.lau@cornerstonescom.com / kylie.yeung@cornerstonescom.com / ivan.kau@cornerstonescom.com



King's Flair International (Holdings) Limited
科勁國際(控股)有限公司

Factsheet

Offering Summary:

Number of Offer Shares	: 175,000,000 Shares (subject to the Over-allotment Option)
Number of Public Offer Shares	: 17,500,000 Shares (subject to re-allocation)
Number of Placing Shares	: 157,500,000 Shares (subject to re-allocation and the Over-allotment Option)
Proposed Offer Price Range	: HK\$1.08 to HK\$1.48 per Offer Share
Board Lot	: 4,000 Shares
Maximum Subscription Amount Per Board Lot	: HK\$5,979.66 (inclusive of brokerage and other fees)
Hong Kong Public Offering Begins	: 9:00 a.m., 31 December 2014 (Wednesday)
Hong Kong Public Offering Ends	: 12:00 noon, 7 January 2015 (Wednesday)
Expected Price Determination Date	: 8 January 2015 (Thursday)
Announcement of Allotment Results	: 15 January 2015 (Thursday)
Expected Listing Date	: 16 January 2015 (Friday)
Stock Code	: 6822

Use of Proceeds:

The Group estimates that the aggregate net proceeds from the Share Offer will be approximately HK\$200 million (after deducting the underwriting commissions and other estimated expenses payable by the Group and assuming that the Over-allotment Option is not exercised and an Offer Price of HK\$1.28 per Offer Share, being the mid-point of the proposed Offer Price range).

The Group intends to use net proceeds from the Share Offer for the purposes as listed below:

Use of Proceeds	Amount of Net Proceeds (HK\$ million)	% of Total Estimated Net Proceeds
To broaden customer base, to expand penetration in existing markets and to penetrate into new markets	10	5%
To enhance our product design, development and engineering capabilities	44	22%
To establish flagship stores, with one flagship store in Shanghai by end of 2015, and expand our retail sales networks and e-commerce business in the PRC	30	15%
To purchase and renovate office premises	90	45%
To enhance our information technology infrastructure	6	3%
For working capital and general corporate purposes	20	10%