

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions have the meanings set out below.

“Articles of Association” or “Articles”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Better Asia”	Better Asia Limited, a company incorporated in BVI with limited liability on 2 January 2001 under the former name of Better Asia Group Limited and was renamed to its present name on 13 November 2003 and is owned as to 60% by Mr. Yan Siu Wai and as to 40% by Mr. Leung Kwok Yin, the executive Directors and the Initial Management Shareholders
“Board”	the board of Directors
“business day”	any day (other than a Saturday) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“Capitalisation Issue”	the issue of Shares to be made upon the capitalisation of part of the share premium account of the Company referred to in the section headed “Written resolutions of all shareholders of the Company passed on 8 September 2005” in Appendix V to this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China” or “PRC”	the People’s Republic of China which for the purpose of this prospectus, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Company”	JF Household Furnishings Limited, a company incorporated in the Cayman Islands on 19 January 2005 with limited liability
“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)
“CSIL Milano”	CSIL Milano, a furniture industry research institute in Italy
“Director(s)”	the director(s) of the Company

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“DTCF” or “Sponsor”	Deloitte & Touche Corporate Finance Limited, a company which is deemed licensed under SFO for the regulated activities of dealing in securities, advising on securities and advising on corporate finance
“Excel Strength”	Excel Strength Investments Limited, a company incorporated in BVI with limited liability on 16 November 2004, which entire issued capital is wholly owned by Mr. Yan Siu Wai, and an Initial Management Shareholder of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM website”	the website of GEM with the domain name of www.hkgem.com
“Group”	the Company and its subsidiaries
“Heat Exchanger Business”	the business of manufacturing and selling of heat exchangers disposed of by JF Ningbo in July 2004
“Hero Talent”	Hero Talent Investments Limited, a company incorporated in BVI with limited liability on 10 November 2004 which entire issued capital is wholly owned by Mr. Leung Kwok Yin, and an Initial Management Shareholder of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “HK dollars” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“IKEA”	a global home furnishings retailer founded in Sweden in 1943, which sells a wide range of functional home furnishings products
“Independent Third Party” or “Independent Third Parties”	person(s) or company(ies) which is/are independent of any member of the Group, the Directors, the chief executives, the Initial Management Shareholders and the substantial shareholders of the Company, its subsidiaries and any of their respective associates

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“Initial Management Shareholder(s)”	the initial management shareholder(s) (as defined in the GEM Listing Rules) of the Company, being Excel Strength, Hero Talent, Joyday, Willhero, Mr. Yan Siu Wai and Mr. Leung Kwok Yin, as described in the section headed “Substantial, Initial Management and Significant Shareholders” in this prospectus
“JF Asia”	JF Household Furnishings (Asia) Ltd., a company incorporated in BVI with limited liability on 21 October 2004 and a wholly owned subsidiary of the Company
“JF BVI”	JF Household Furnishings (BVI) Ltd., a company incorporated in BVI with limited liability on 21 October 2004 and a wholly owned subsidiary of the Company
“JF Equipment Supplies (Ningbo)”	捷豐冷凍器材(寧波)有限公司 (JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd.), the former name of JF Ningbo
“JF Macau”	JF Household Furnishings Macao Commercial Offshore Limited, a company to be incorporated in Macau with limited liability which will be a wholly owned subsidiary of the Company upon its incorporation
“JF Macau Holdings”	JF Household Furnishings (Macau) Holdings Ltd., a company incorporated in BVI with limited liability on 7 December 2004 and a wholly owned subsidiary of the Company
“JF Metal”	寧波捷豐金屬製品有限公司 (Ningbo JF Metal Products Co., Ltd.), a Sino-foreign equity joint venture established in the PRC on 8 July 2003 which was converted to a wholly foreign owned enterprise on 11 October 2004, and a wholly owned subsidiary of the Company
“JF Ningbo”	寧波捷豐家居用品有限公司 (JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd.), a wholly foreign owned enterprise established in the PRC on 30 December 1992 under the former name of JF Equipment Supplies (Ningbo) and was renamed to its present name on 23 June 2004 and a wholly owned subsidiary of the Company
“Joyday”	Joyday Consultants Limited, a company incorporated in BVI with limited liability on 3 November 2004 which entire issued capital is wholly owned by Mr. Leung Kwok Yin, and an Initial Management Shareholder of the Company
“Keylink”	Keylink Technology Limited, a company incorporated in BVI with limited liability on 9 August 2004 and a wholly owned subsidiary of the Company

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“Latest Practicable Date”	29 September 2005, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus
“Lead Manager”	Luen Fat Securities Company Limited
“Listing Date”	the date on which the trading of the Shares on GEM commences, which is expected to be 13 October 2005
“Lock-up Period”	commencing on the date by reference to which disclosure of the shareholding of the Initial Management Shareholder is made in this prospectus and ending on the 12 months period from the Listing Date (both dates inclusive)
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the securities market operated by the Stock Exchange (excluding the option market) other than GEM
“OECD”	the Organization for Economic Co-operation and Development
“OEM”	original equipment manufacturer
“Offer Size Adjustment Option”	the option granted by the Company to the Underwriters exercisable by the Lead Manager (for itself and on behalf of the other Underwriters) to require the Company to allot and issue up to an aggregate of 6,300,000 additional new Shares at the Placing Price, details of which are described in the sub-section headed “Offer Size Adjustment Option” under the section headed “Structure and conditions of the Placing” of this prospectus
“Placing”	the conditional placing of the Placing Shares at the Placing Price, subject to the Offer Size Adjustment Option, as further described in the section headed “Structure and conditions of the Placing” in this prospectus
“Placing Price”	the final price per Placing Share in Hong Kong dollars (exclusive of brokerage, the Stock Exchange trading fee, investor compensation levy and SFC transaction levy) at which the Placing Shares are to be subscribed for pursuant to the Placing
“Placing Shares”	42,000,000 new Shares initially being offered by the Company for subscription under the Placing, together with, where relevant, any additional Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option

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“Post-IPO Share Option Scheme”	the share option scheme conditionally adopted by the shareholders of the Company on 8 September 2005, the principal terms of which are set out in the paragraph headed “Summary of terms of the Post-IPO Share Option Scheme” in Appendix V to this prospectus
“PRC Government” or “State”	the central government of the PRC including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof
“Pre-IPO Share Option Scheme”	the share option scheme approved and adopted by the Company on 8 September 2005, the principal terms of which are summarised in the paragraph headed “Summary of terms of the Pre-IPO Share Option Scheme” in Appendix V to this prospectus
“Price Determination Time”	the time at which the Placing Price will be fixed, which is scheduled at or before 5:00 p.m. on 5 October 2005, or such later time and/or date as may be agreed between the Company and the Lead Manager (for itself and on behalf of the other Underwriters) but in any event not later than 5:00 p.m. on 7 October 2005
“Relevant Securities”	has the meaning ascribed thereto under Rule 13.15 of the GEM Listing Rules
“Reorganisation”	the corporate reorganisation which the Group underwent in preparation of the listing of the Shares on GEM, details of which are set out in the paragraph headed “Corporate reorganisation” in Appendix V to this prospectus
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Schemes”	the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme
“Shares”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Track Record Period”	the period comprising the two financial years ended 31 December 2004 and the six months ended 30 June 2005

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“Underwriters”	the underwriters of the Placing named in the paragraph headed “Underwriters” in the section headed “Underwriting” in this prospectus
“Underwriting Agreement”	the underwriting agreement dated 5 October 2005 and entered into by, the Company, the Sponsor, the Initial Management Shareholders, the executive Directors, the Lead Manager, the co-managers of the Placing and the Underwriters, particulars of which are summarised in the section headed “Underwriting” in this prospectus
“US” or “United States”	the United States of America
“US\$”	US dollars, the lawful currency of the United States
“Willhero”	Willhero Investments Limited, a company incorporated in BVI with limited liability on 16 November 2004 which entire issued capital is wholly owned by Mr. Yan Siu Wai, and an Initial Management Shareholder of the Company
“WTO”	World Trade Organisation
“%”	per cent.
“Yuyao Jiefeng Air-Con”	餘姚捷豐空調設備有限公司 (Yuyao Jiefeng Air Conditioning Equipment Co. Ltd), a Sino-foreign equity joint venture established in the PRC and is currently held as to 45.7% by Better Asia and 54.3% by Independent Third Parties
“Zhejiang Shuaikang”	浙江帥康電氣股份有限公司 (Zhejiang Shuaikang Electric Stock Co. Ltd), a joint stock company established in the PRC with limited liability on 28 December 2000 which issued share capital is owned as to 4.55% by Mr. Bao Jisheng, an executive Director. Further, Mr. Yan Siu Wai is a director of Zhejiang Shuaikang

All dates and times in this prospectus refer to Hong Kong time unless otherwise stated.

Unless otherwise specified in this prospectus, amounts denominated in Renminbi or US\$ have been translated, for the purpose of illustration only, into Hong Kong dollars as follows:

RMB1.06 = HK\$1.00

US\$1.00 = HK\$7.8

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

For ease of reference, the names of the PRC established companies or entities have been included in this prospectus in both Chinese and English languages. In the event of inconsistency, the Chinese version shall prevail in respect of the names of such PRC established companies and entities.