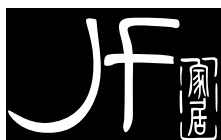

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of JF Household Furnishings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to JF Household Furnishings Limited. The directors of JF Household Furnishings Limited, having made all reasonable enquiries, confirmed that, to the best of their knowledge and belief, (i) the information contained in the circular are accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in JF Household Furnishings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.



JF Household Furnishings Limited **捷豐家居用品有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8310)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, AMENDMENTS OF ARTICLES OF ASSOCIATION, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

Whether or not you intend to attend the annual general meeting of JF Household Furnishings Limited, you are requested to complete and return the accompanying proxy form to the share registrar of JF Household Furnishings Limited, Tricor Investor Services Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the annual general meeting of JF Household Furnishings Limited. The return of the proxy form will not preclude you from attending and voting in person in the annual general meeting of JF Household Furnishings Limited if you so wish.

28 March 2006

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by The Stock Exchange of Hong Kong Limited. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

LETTER FROM THE BOARD



JF Household Furnishings Limited 捷豐家居用品有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8310)

Executive Directors:

Mr. Yan Siu Wai
Mr. Leung Kwok Yin
Mr. Bao Jisheng

Independent non-executive Directors:

Mr. Kwan Kai Cheong
Mr. Garry Alides Willinge
Mr. Yu Hon Wing Allan

Registered office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
Cayman Islands
British West Indies

*Head office and principal place
of business in Hong Kong:*

15th Floor, EIB Tower
4-6 Morrison Hill Road
Wanchai
Hong Kong

28 March 2006

To the shareholders

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, AMENDMENTS OF ARTICLES OF ASSOCIATION, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the annual general meeting for the year ended 31 December 2005 (the “**AGM**”) of JF Household Furnishings Limited (the “**Company**”) to be held at Plaza IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 24 April 2006 at 4:00 p.m., resolutions will be proposed to grant to the directors (the “**Directors**”) of the Company general mandates to allot and issue new shares of the Company and to repurchase shares of the Company. Resolutions will also be proposed to amend the existing articles of association of the Company and to re-elect the Directors in accordance with the articles of association of the Company. This circular contains the explanatory statement in compliance with the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and to give all the information reasonably necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolutions.

LETTER FROM THE BOARD

GENERAL MANDATES

At the AGM, ordinary resolutions will be proposed to renew the general mandates given to the Directors (a) to allot, issue and deal with shares (“**Shares**”) of HK\$0.01 each in the share capital of the Company with a total nominal amount of not more than the sum of 20% of the total nominal amount of the share capital of the Company in issue at the date of passing of the resolution; (b) to exercise all the powers of the Company to repurchase Shares (“**Repurchase Mandate**”) with a total nominal amount of not more than 10% of the total nominal amount of the share capital of the Company in issue at the date of passing of the resolution; and (c) to add the aggregate nominal amount of the number of Shares repurchased under the Repurchase Mandate to the aggregate nominal amount of Shares that may be allotted and issued pursuant to the resolution to issue Shares as stated in (a) above.

On 24 March 2006 (the “**Latest Practicable Date**”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 168,000,000 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the AGM, would accordingly result in up to 16,800,000 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date, being repurchased by the Company.

The Repurchase Mandate allows the Company to make or agree to make repurchases during the period commencing from the date of passing of the resolution and ending on the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable Cayman Islands law to be held; or (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors under this Resolution.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix I to this circular. The information in the explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has recently amended Paragraph 4(3) of Appendix 3 and paragraph 5(1) of the Appendix 11B of the GEM Listing Rules to the effect that a director may be removed by an ordinary resolution in general meeting instead of a special resolution. In line with the above amendments to the GEM Listing Rules, special resolutions to amend the articles of association of the Company which require not less than 75 per cent of the votes cast by shareholders attending and entitled to vote at the AGM will put forth as special business to be considered and approved by the shareholders at the AGM. Details of the proposed amendments to the articles of association of the Company are set out in the notice of the AGM on page 11 of this circular.

RE-ELECTION OF DIRECTORS

As at the date of this circular, the executive Directors are Mr. Yan Siu Wai, Mr. Leung Kwok Yin and Mr. Bao Jisheng and the independent non-executive Directors are Mr. Kwan Kai Cheong, Mr. Garry Alides Willinge and Mr. Yu Hon Wing Allan.

Pursuant to Article 86(3) of the articles of association of the Company, all of the Directors will retire at the AGM and, being eligible, will offer themselves for re-election. Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROCEDURES BY WHICH A POLL MAY BE DEMANDED

A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three shareholders of the Company (the “Shareholders”) present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

GENERAL INFORMATION

The notice for the AGM is set out in pages 10 to 12 of this circular.

Whether or not you intend to attend the AGM in person, you are requested to complete and return the accompanying proxy form to the share registrar of the Company, Tricor Investor Services Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM. The return of the proxy form will not preclude you from attending and voting in person if you so wish.

RECOMMENDATION

The Directors consider that the general mandates, the amendments to the articles of association, and the re-election of Directors proposed are in the interest of the Company and so recommend you to vote in favour of the relevant resolutions at the forthcoming AGM.

Yours faithfully
By order of the Board
JF Household Furnishings Limited
Yan Siu Wai
Chairman and executive director

This is an explanatory statement given to all Shareholders of the Company, as required by the GEM Listing Rules, to provide requisite information of the Repurchase Mandate.

1. GEM LISTING RULES FOR REPURCHASES OF SHARES

(a) GEM Listing Rules

The GEM Listing Rules permit companies with a primary listing on GEM to repurchase their securities on GEM subject to certain restrictions, the most important of which are summarised below:

(i) *Shareholders' approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on GEM must be approved in advance by an ordinary resolution of the Shareholders, either by way of general mandate or by specific approval of a particular transaction.

(ii) *Source of funds*

Repurchases must be paid out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) (the "**Companies Law**") of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under Cayman Islands law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of the profits of the Company or out of the Company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

(b) Reasons for repurchases

Repurchases of Shares will only be made when the Directors believe that such repurchase is in the best interest of the Company and its Shareholders. The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with flexibility to make such repurchase as and when appropriate and is beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

(c) Funding of repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of the current financial position of the Group as disclosed in the the Company's prospectus dated 5 October 2005 ("**Prospectus**") and taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in the Prospectus. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolutions. As at the Latest Practicable Date, there were in issue an aggregate of 168,000,000 Shares. The exercise in full of the Repurchase Mandate on the basis of 168,000,000 Shares in issue and that no further Shares would be issued or repurchased prior to the date of the AGM, would accordingly result in up to 16,800,000 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

(d) Connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates (as defined in the GEM Listing Rules) of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by the Company's Shareholders, to sell Shares to the Company.

At the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and any applicable laws of the Cayman Islands.

(e) Effect of Takeovers Code and minimum public float

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the register of shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**") showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of Shareholder	Number and class of securities	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Excel Strength Investments Limited (" Excel Strength ") (Note 1)	34,020,000 ordinary shares	20.25%	22.50%
Willhero Investments Limited (" Willhero ") (Note 1)	28,980,000 ordinary shares	17.25%	19.17%
Hero Talent Investments Limited (" Hero Talent ") (Note 2)	22,680,000 ordinary shares	13.50%	15.00%
Joyday Consultants Limited (" Joyday ") (Note 2)	12,600,000 ordinary shares	7.50%	8.33%
Yan Siu Wai (Note 3)	75,600,000 ordinary shares	45.00%	50.00%
Leung Kwok Yin (Note 4)	50,400,000 ordinary shares	30.00%	33.33%

Notes:

1. Each of Excel Strength and Willhero is a company incorporated in the British Virgin Islands (“BVI”) and whose entire issued capital is solely owned by Mr. Yan Siu Wai.
2. Each of Hero Talent and Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Leung Kwok Yin.
3. The number of Shares represents the total number of Shares to be held by Mr. Yan Siu Wai directly and through Excel Strength and Willhero indirectly.
4. The number of Shares represents the total number of Shares to be held by Mr. Leung Kwok Yin directly and through Hero Talent and Joyday indirectly.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column above and such increase will give rise to an obligation on the part of each of Mr. Yan Siu Wai and Mr. Leung Kwok Yin to make a mandatory offer under Rule 26 of the Takeovers Code.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate in whole will result in less than the relevant prescribed minimum percentage, presently being 25%, of the Shares being held by the public as required by the Stock Exchange. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed minimum percentage.

2. SHARE PURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares during the previous six months immediately preceding the Latest Practicable Date.

3. SHARE PRICES

During each of the previous 12 months, the highest and lowest traded prices for the Shares on GEM were as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
2005		
April	N/A	N/A
May	N/A	N/A
June	N/A	N/A
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October (commenced from 13 October 2005)	0.9700	0.7900
November	0.8200	0.7800
December	0.8000	0.7500
2006		
January	0.8000	0.7100
February	0.8000	0.7500
March (up to the Latest Practicable Date)	0.9300	0.8000

Note: As the Company’s Shares only listed on GEM on 13 October 2005, the above records represent full reports of the highest and lowest traded prices in each calendar month since the date of the listing of the Shares on GEM. No traded prices for the Shares on GEM were available for the period between 1 April 2005 to 12 October 2005.

EXECUTIVE DIRECTORS**Mr. Yan Siu Wai**

Mr. Yan Siu Wai (甄兆威), aged 50, is one of the co-founders and Chairman of the Company and its subsidiaries (collectively the “**Group**”). Mr. Yan is responsible for the strategic planning, corporate development and supervision of overall management of the Group. Mr. Yan graduated from Hong Kong Polytechnic University (formerly known as the “Hong Kong Polytechnic”) in 1976 with a higher diploma in production engineering. In 1998, he also obtained a master degree in Science (Engineering Business Management) from the University of Warwick, the United Kingdom. Mr. Yan is a member of the American Institute of Industrial Engineers and American Society of Heating Refrigerating and Air-conditioning Engineers, Inc.. Mr. Yan has approximately 25 years of experience in industrial management and manufacturing. Mr. Yan is also a director of Multistack International Limited, a company listed on the Australian Stock Exchange which is principally engaged in the manufacturing and marketing of industrial air-conditioning equipment. He is also a director of 浙江帥康電氣股份有限公司 (Zhejiang Shuaikang Electric Stock Co. Ltd), a company established in the PRC which is principally engaged in the manufacture of home electrical appliance and is the second largest customer of the Group in 2004 and 2005, which purchases represented 4.76% and 6.63% of the Group’s turnover in 2004 and 2005 respectively. Mr. Yan also held directorships and shareholdings in other private companies, some of which are jointly invested with Mr. Leung Kwok Yin. Mr. Yan has been involved in businesses in China for approximately 25 years, from the manufacturing and marketing of air conditioning products since 1998, to the current business of the Group in the furnishings and home products industry.

As at the Latest Practicable Date, Mr. Yan is interested in 80,035,200 Shares within the meaning of Part XV of the SFO, which comprised of 75,600,000 Ordinary Shares and options to subscribe for 4,435,200 Shares granted under the Pre-IPO Share Option Scheme adopted by the then shareholders of the Company by written resolutions passed on 8 September 2005 (“**Pre-IPO Share Option Scheme**”). Among the 75,600,000 Ordinary Shares, (i) 34,020,000 Shares were registered in the name of Excel Strength Investments Limited (“**Excel Strength**”); (ii) 28,980,000 Shares were registered in the name of Willhero Investments Limited (“**Willhero**”); and (iii) the remaining 12,600,000 Shares were registered in the name of Mr. Yan directly. Each of Excel Strength and Willhero is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Yan.

The Company and Mr. Yan entered into a service contract on 8 September 2005 in relation to Mr. Yan’s appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expiring on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of his appointment, unless terminated by not less than 6 months’ notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service contract, Mr. Yan is entitled to receive a salary of HK\$34,000 per month and a discretionary annual management bonus.

Mr. Leung Kwok Yin

Mr. Leung Kwok Yin (梁國賢), aged 53, is one of the co-founders of the Group. Mr. Leung is responsible for product development, materials sourcing and marketing of the Group. Mr. Leung graduated from Hong Kong Polytechnic University (formerly known as the “Hong Kong Polytechnic”) in 1975 with a technician diploma in electrical engineering. Mr. Leung has been partnering with Mr. Yan for investments in the PRC for approximately 25 years and has built substantial manufacturing and distribution experiences in the PRC. Mr. Leung is also a director of Multistack International Limited, a company listed on the Australian Stock Exchange. Mr. Leung was previously an independent non-executive director of Omnitech Holdings Limited, a company listed on the Australian Stock Exchange, of which he had resigned with effect from 1 September 2005. Mr. Leung also held directorships and shareholdings in other private companies, some of which are jointly invested with Mr. Yan Siu Wai.

As at the Latest Practicable Date, Mr. Leung is interested in 53,356,800 Shares within the meaning of Part XV of the SFO, which comprised of 50,400,000 Ordinary Shares and options to subscribe for 2,956,800 Shares granted under the Pre-IPO Share Option Scheme. Among the 50,400,000 Ordinary Shares, (i) 22,680,000 Shares were registered in the name of Hero Talent Investments Limited (“**Hero Talent**”); (ii) 12,600,000 Shares were registered in the name of Joyday Consultant Limited (“**Joyday**”); and (iii) the remaining 15,120,000 Shares were registered in the name of Mr. Leung directly. Each of Hero Talent and Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Leung.

The Company and Mr. Leung entered into a service contract on 8 September 2005 in relation to Mr. Leung's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expiring on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of his appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service contract, Mr. Leung is entitled to receive a salary of HK\$18,000 per month and a discretionary annual management bonus.

Mr. Bao Jisheng

Mr. Bao Jisheng (鮑繼聲), aged 67, joined the Group in January 1999. Mr. Bao has been the general manager of 寧波捷豐家居用品有限公司 (JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd.) ("**JF Ningbo**") since January 2003 and is responsible for the overall operation of JF Ningbo. JF Ningbo is a wholly foreign owned enterprise established in the Peoples' Republic of China 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 is a wholly owned subsidiary of the Company. Mr. Bao was previously the factory manager of 餘姚通用機器廠 (Yuyao General Machinery Factory). He has over 40 years of experience in manufacturing, industrial engineering and business management. Mr. Bao is a qualified engineer and a director of 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 54.3% by independent third parties and 45.7% by Better Asia Limited, a company incorporated in the British Virgin Islands with limited liability on 2 January 2001 and is owned as to 60% by Mr. Yan Siu Wai and as to 40% by Mr. Leung Kwok Yin.

As at the Latest Practicable Date, Mr. Bao is interested in 3,360,000 Shares within the meaning of Part XV of the SFO, which comprised of options to subscribe for 3,360,000 Ordinary Shares granted under the Pre-IPO Share Option Scheme.

The Company and Mr. Bao entered into a service contract on 8 September 2005 in relation to Mr. Bao's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expiring on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of his appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service contract, Mr. Bao is entitled to receive a salary of HK\$58,000 per month and a discretionary annual management bonus.

Mr. Bao is the father of Mr. Bao Xiangqian, senior manager of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS**Mr. Kwan Kai Cheong**

Mr. Kwan Kai Cheong (關啟昌), aged 56, graduated from the University of Singapore in 1973 with a degree in Accountancy. Mr. Kwan is qualified as a Chartered Accountant in Australia in 1979 and is a member of the Hong Kong Institute of Certified Public Accountants since 1982. He completed the Stanford Executive Program in 1992. He was previously the president and chief operating officer for the Asia Pacific Region of Merrill Lynch & Co.. Mr. Kwan is also an independent non-executive director of Hutchison Telecommunications International Limited, Hutchison Harbour Ring Limited and Soundwill Holdings Limited, companies listed on the Main Board of the Stock Exchange (the "**Main Board**") and an executive director of China Medical Science Limited and an independent non-executive director of T S Telecom Technologies Limited, companies listed on the GEM. Mr. Kwan is also a director of Yaohan International Holdings Limited, a company previously listed on the Main Board which is pending liquidation ("**Liquidation**"). Mr. Kwan had confirmed that there was no wrongful act done by him leading to the Liquidation and that the Liquidation would not adversely affect his position in discharging duties of acting as an independent non-executive Director. Mr. Kwan was also an executive director and joint managing director of Pacific Concord Holding Limited, a company previously listed on the Main Board, which listing was withdrawn after 22 October 2003 due to privatisation.

Mr. Kwan was appointed as an independent non-executive Director on 8 March 2005. Pursuant to his letter of appointment dated 8 September 2005, Mr. Kwan is entitled to receive a fee of HK\$100,000 per annum. Mr. Kwan's appointment is for a term of 30 months commenced from 8 March 2005 and may be terminated by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Kwan and the Company.

Mr. Kwan is also the chairman of the Company's Audit Committee and Remuneration Committee respectively.

Mr. Garry Alides Willinge

Mr. Garry Alides Willinge, aged 56, is a fellow of the Australian Institute of Company Directors and a fellow of the Hong Kong Institute of Directors. He is also an Adjunct Professor with the Curtin Business School. He graduated from the University of Melbourne, Australia in 1970 with a Bachelor of Science. In 1996, he also obtained a Graduate Diploma in Applied Finance and Investment from the Securities Institute Education in Australia. Mr. Willinge is also an independent non-executive director of China Medical Science Limited, a company listed on the GEM. Prior to joining the Group, he has worked in a number of management roles in a multinational information technology company.

Mr. Willinge was appointed as an independent non-executive Director on 8 March 2005. Pursuant to his letter of appointment dated 8 September 2005, Mr. Willinge is entitled to receive a fee of HK\$100,000 per annum. Mr. Willinge's appointment is for a term of 30 months commenced from 8 March 2005 and may be terminated by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Willinge and the Company.

Mr. Yu Hon Wing Allan

Mr. Yu Hon Wing Allan (俞漢榮), aged 49, graduated from the Hong Kong Polytechnic University (formerly known as the "Hong Kong Polytechnic") in 1978 with a higher diploma in Accountancy. Mr. Yu is a Certified Public Accountant (Practising) with the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants). He is also a fellow of the Chartered Association of Certified Accountants since 1986. Mr. Yu is also a non-executive director of Multistack International Limited, a company listed on the Australia Stock Exchange.

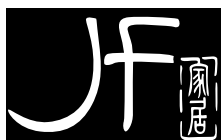
Mr. Yu was appointed as an independent non-executive Director on 8 March 2005. Pursuant to his letter of appointment dated 8 September 2005, Mr. Yu is entitled to receive a fee of HK\$60,000 per annum. Mr. Yu's appointment is for a term of 30 months commenced from 8 March 2005 and may be terminated by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Yu and the Company.

The remuneration of the Directors (including the independent non-executive Directors) is determined with reference to the qualification and experience, responsibilities to be undertaken and the prevailing market level of remuneration of similar position.

Pursuant to Article 86(3) of the Articles of Association, Messrs. Yan Siu Wai, Leung Kwok Yin, Bao Jisheng, Kwan Kai Cheong, Garry Alides Willinge and Yu Hon Wing Allan will retire and being eligible, offer themselves for re-election at the AGM.

Save as disclosed above, (i) there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules; and (ii) there is no other matters that need to be brought to the attention of holders of securities of the Company.

NOTICE OF ANNUAL GENERAL MEETING



JF Household Furnishings Limited 捷豐家居用品有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8310)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of JF HOUSEHOLD FURNISHINGS LIMITED (the “Company”) will be held at Plaza IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 24 April 2006 at 4:00p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2005.
2. To re-appoint auditors and to authorise the board of directors of the Company (the “**Board of Directors**”) to fix their remuneration.
3. To consider and declare a final dividend for the year ended 31 December 2005;
4. As special business, to consider and if thought fit, pass the following resolutions as ordinary resolutions:

(A) “**THAT**

- (i) subject to sub-paragraph (iii) of this Resolution and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM Listing Rules**”), the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options which may require the exercise of such powers be and it is hereby generally and unconditionally approved;
- (ii) the approval in sub-paragraph (i) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which may require the exercise of such powers at any time during or after the expiry of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); or (b) the exercise of any option scheme or similar arrangement for the time being adopted for the grantor issued to officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible persons of Shares or rights to acquire Shares of the Company; or (c) any issue of Shares upon exercise of rights of subscription or conversion attaching to any warrants of the Company or any securities which are convertible into Shares; or (d) any scrip dividend scheme or similar arrangement providing for allotment of shares in lieu of the whole or part of any dividend in accordance with the Articles of Association, shall not exceed the sum of:
 - (AA) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution; and
 - (BB) (if the Directors are so authorised by a separate resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this Resolution up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution;

and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

- (iv) for the purposes of this Resolution, “**Rights Issue**” means an offer of shares in the capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the capital of the Company open for a period fixed by the Directors to shareholders of the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory outside Hong Kong or the expense or delay that may be incurred in the determination of any such restrictions or obligations); and
- (v) for the purposes of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable Cayman Islands law to be held; or
 - (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors under this Resolution.”

(B) “**THAT**

- (i) subject to sub-paragraph (ii) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase its Shares on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares in the capital of the Company which may be purchased or agreed to be purchased by the Company pursuant to the authority granted under sub-paragraph (i) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the authority pursuant to sub-paragraph (i) of this Resolution shall be limited accordingly; and
- (iii) for the purpose of this Resolution, “**Relevant Period**” shall have the same meanings as ascribed to it under sub-paragraph (v) of the Resolution no. 4(A) above.”

(C) “**THAT** conditional upon Resolutions no. 4(A) and 4(B) being passed, the general mandate granted to the Directors pursuant to Resolution no. 4(A) above be and it is extended by the addition to the aggregate nominal amount of the Shares which may be allotted, issued or otherwise dealt with by the Directors pursuant to or in accordance with such mandate of an amount representing the aggregate nominal amount of the Shares in the capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under Resolution no. 4(B) above.”

5. As special business, to consider and if thought fit, pass the following resolution as special resolution:

“**THAT** the Articles of Association of the Company be and are amended by replacing the following words “by special resolution” in the existing Article 86(5) with the following words “by ordinary resolution”.”

NOTICE OF ANNUAL GENERAL MEETING

6. (A) To re-elect the following Directors of the Company:
- (i) Mr. Yan Siu Wai;
 - (ii) Mr. Leung Kwok Yin;
 - (iii) Mr. Bao Jisheng;
 - (iv) Mr. Kwan Kai Cheong;
 - (v) Mr. Garry Alides Willinge; and
 - (vi) Mr. Yu Hon Wing Allan.
- (B) To authorise the Board of Directors to fix the remuneration of the Directors.

On behalf of the Board
Cheung Wai Tak
Company Secretary

Hong Kong, 28 March 2006

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, in the event of, a poll, vote instead of him. A proxy needs not be a member of the Company.
- (2) In order to be valid, the form of proxy must be deposited with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting should he so wishes.
- (3) Where there are joint holders of any shares in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- (4) The transfer books and register of members of the Company will be closed from 26 May 2006 to 30 May 2006 (both days inclusive). During such period, no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited at the above address no later than 4:00 p.m. on 25 May 2006.