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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (“**Announcement**”) dated 12 December 2006 in relation to the Acquisition of Machinaries. Unless otherwise specified, terms used in this announcement shall have the same meanings as defined in the Announcement.

The board (“**Board**”) of directors of the Company (“**Directors**”) wishes to clarify the manner of finance on the Acquisition mistakenly stated in the Announcement. Instead of financing the Acquisition by internal resources of the Group of which JF Ningbo and the Company form parts, the Acquisition will be financed as follows:

1. 10% of the Consideration, i.e. Euro 84,617.50 will be financed by the internal resources of the Group; and
2. 90% of the Consideration, i.e. Euro 761,557.50 will be financed by way of hire purchase under a lease agreement entered into between JF Ningbo (as lessee) and a third party (as lessor) (“**Lessor**”) independent of the Company and its connected persons (as defined in GEM Listing Rules).

The principal business of the Lessor is a restricted licence bank.

The Company will take precautionary measures to avoid recurrence of similar mistake in the future by strengthening its internal communication.

Made by the order of the Board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement.

List of all Directors of the Company as at the date of this announcement

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
Ms. Yu Hon Wing, Allan

By order of the Board
JF Household Furnishings Limited
Yan Siu Wai
Chairman

Hong Kong, 20 December 2006

This announcement for which the Directors 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 the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement 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.