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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)

TRANSFER OF SHAREHOLDING INTERESTS
BY A SUBSTANTIAL SHAREHOLDER

On 2 April 2008, the Board was informed by Mr Leung and Mr Bao that on the same date, Mr Leung had transferred to Mr Bao the Subject Shares at a consideration of HK\$18,144,000.00. The Subject Shares represent 100% of the issued share capital of Hero Talent, a substantial shareholder of the Company holding 22,680,000 Shares, representing 13.27% of the issued share capital of the Company as at the date of this announcement. Immediately after the completion of the Transfer, Mr Bao becomes a substantial shareholder of the Company through his shareholding in Hero Talent, and Mr Leung remains a substantial shareholder of the Company holding an aggregate of 27,720,000 Shares, representing 16.22% of the issued share capital of the Company.

The Board was advised that as Mr Bao has been the key management of the Group since he joined the first Subsidiary of the Group in 1999, the Transfer is to recognize and show appreciation for Mr Bao's contribution to the business development of the Group over the years, and to give incentive for his continuous contribution and support to the management and future development of the Group.

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EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after the completion of the Transfer are as follows:

Name	Number of Shares held immediately before the completion of the Transfer	Approximate percentage of total issued shares of the Company	Number of Shares held immediately after the completion of the Transfer	Approximate percentage of total issued shares of the Company
Mr Yan Siu Wai	75,600,000	44.22%	75,600,000 <i>(Note 1)</i>	44.22%
Mr Leung	50,400,000	29.49%	27,720,000 <i>(Note 2)</i>	16.22%
Mr Bao	—	—	22,680,000 <i>(Note 3)</i>	13.27%
Public shareholders	<u>44,940,000</u>	<u>26.29%</u>	<u>44,940,000</u>	<u>26.29%</u>
Total	<u>170,940,000</u>	<u>100%</u>	<u>170,940,000</u>	<u>100%</u>

Notes:

1. Among these 75,600,000 Shares, (i) 34,020,000 Shares are registered in the name of Excel Strength Investments Limited (“Excel Strength”); (ii) 28,980,000 Shares are registered in the name of Willhero Investments Limited (“Willhero”)’ and (iii) the remaining 12,600,000 shares are registered in the name of Mr Yan Siu Wai 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 Siu Wai. By virtue of the SFO, Mr Yan Siu Wai is deemed to be interested in 63,000,000 Shares through his shareholdings in Excel Strength and Willhero.
2. Among these 27,720,000 Shares, (i) 12,600,000 Shares are registered in the name of Joyday Consultants Limited (“Joyday”); and (ii) the remaining 15,120,000 Shares were registered in the name of Mr Leung directly. Joyday is a company incorporated in the BVI whose entire issued share capital is solely owned by Mr Leung. By virtue of the SFO, Mr Leung is deemed to be interested in 12,600,000 Shares through his shareholdings in Joyday.
3. By virtue of the SFO, Mr Bao is deemed to be interested in 22,680,000 Shares through his shareholdings in Hero Talent after the completion of the Transfer.

As at the date of this announcement, Mr Bao is holding 3,360,000 share options of the Company which entitle him to subscribe for 3,360,000 Shares, representing approximately 1.97% of the issued share capital of the Company as at the date of this announcement, at an exercise price of HK\$0.80 per Share.

REASONS FOR THE TRANSFER

The Board was advised that as Mr Bao has been the key management of the Group since he joined the first Subsidiary of the Group in 1999, the Transfer is to recognize and show appreciation for Mr Bao's contribution to the business development of the Group over the years, and to give incentive for his continuous contribution and support to the management and future development of the Group. Below is a brief biography of Mr Bao.

Mr Bao, aged 69, joined the Group in 1999 and has been appointed the general manager of JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd., the first subsidiary of the Group since January 2003. Mr Bao was appointed an executive Director of the Company in 2005. Mr Bao is a qualified engineer and is responsible for the overall operation of the Subsidiaries of the Group. He has over 40 years of experience in manufacturing, industrial engineering and business management. Mr Bao was previously the factory manager of Yuyao General Machinery Factory.

As at the date of this announcement, Mr Bao is independent of and not a party acting in concert with Mr Yan Siu Wai, the controlling shareholder of the Company, and Mr Leung, a substantial shareholder of the Company.

DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the meanings ascribed below:

“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company”	JF Household Furnishings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on GEM as at the date of this announcement;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hero Talent”	Hero Talent Investments Limited, a limited liability company incorporated in the BVI with a total issued share capital of US\$100 divided into 100 shares of US\$1.00 each, and a substantial shareholder of the Company;
“Mr Leung”	Mr Leung Kwok Yin, an executive Director and a substantial shareholder of the Company;
“Mr Bao”	Mr Bao Jisheng, an executive Director of the Company;
“Shares”	shares of HK\$0.01 each in the share capital of the Company;

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Subject Shares”	100 issued shares of US\$1.00 each in Hero Talent;
“Subsidiary(ies)”	the subsidiary(ies) of the Company within the meaning of section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong); and
“Transfer”	the transfer of the Subject Shares from Mr Leung to Mr Bao.

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

Hong Kong, 2 April 2008

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

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 GEM 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 the information contained in this announcement is accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this announcement misleading; and 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.

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