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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

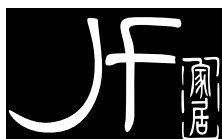
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other appropriate independent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

**If you have sold or transferred** all your shares in JF Household Furnishings Limited, you should at once pass this circular 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.

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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)

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF LAND USE RIGHTS**

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This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting.

26 June 2008

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## CHARACTERISTICS OF GEM

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**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](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.**

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## CONTENTS

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<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
— Introduction .....	3
— The Transaction .....	4
— Principal terms under the auction documents and the Confirmation .....	4
— Principal terms under the prescribed form of the Land Agreement .....	5
— Reasons for the Transaction .....	6
— Discloseable Transaction .....	6
— Additional Information .....	7
<b>Appendix — General information</b> .....	8

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Announcement”	the Company’s announcement dated 13 June 2008 in relation to the acquisition of the Land Use Rights which constituted a discloseable transaction;
“Board”	the board of Directors;
“Company”	JF Household Furnishings Limited (捷豐家居用品有限公司), a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on GEM;
“Confirmation”	a Confirmation on Auction Sale (掛牌出讓成交確認書) entered into between JF Furniture and Yuyao Land Bureau on 11 June 2008 for the acquisition of the Land Use Rights;
“Director(s)”	the director(s) of the Company, including the independent non-executive Directors;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“JF Furniture”	寧波捷豐現代傢俱有限公司 (Ningbo JF Modern Furniture Co., Ltd.), a wholly foreign owned enterprise established in the PRC on 25 July 2006 and a wholly owned subsidiary of the Company;
“Land”	a parcel of a land with a total gross area of 42,085 sq.m. situated at East of Jingsi Road, Zhengxi Village, Langxia Street of Yuyao City, Zhejiang Province, PRC (中國浙江省余姚市朗霞街道鎮西村經四路東側) with land identification number 2008-1 (宗地編號2008-1) for industrial use (furniture manufacturing);
“Land Agreement”	a state-owned land use rights transfer agreement, together with any supplemental agreement, to be entered into between JF Furniture and Yuyao Land Bureau in relation to the transfer of the Land Use Rights;
“Land Consideration”	the consideration of RMB27,144,825 (equivalent to approximately HK\$30,592,218) for the acquisition of the Land Use Rights;
“Land Use Rights”	the land use rights for the Land;

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## DEFINITIONS

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“Latest Practicable Date”	20 June 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“PRC”	the People’s Republic of China;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the acquisition of the Land Use Rights pursuant to the Confirmation and the Land Agreement;
“Yuyao Land Bureau”	Bureau of Land Resources of Yuyao Municipal, Zhejiang Province, the PRC (中華人民共和國浙江省余姚市國土資源局), one of the PRC governmental administrative authorities under the Zhejiang provincial government which is responsible for the management of land resources in Yuyao, Zhejiang Province;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC and for the purpose of this circular, Renminbi is translated into Hong Kong dollars at a fixed rate of RMB1.00 = HK\$1.127 as at the date of the Announcement;
“%”	per cent;
“sq.m.”	square meter.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr Yan Siu Wai  
Mr Leung Kwok Yin  
Mr Bao Jisheng

*Non-executive Director:*

Mr Kwan Kai Cheong

*Independent non-executive Directors:*

Mr Yu Hon Wing Allan  
Mr Garry Alides Willinge  
Mr Chu Kwok Man

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

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

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

26 June 2008

*To the Shareholders*

Dear Sir or Madam

### **DISCLOSEABLE TRANSACTION** **ACQUISITION OF LAND USE RIGHTS**

#### **INTRODUCTION**

It was announced on 13 June 2008 in the Announcement that JF Furniture, a wholly-owned subsidiary of the Company, had entered into the Confirmation with Yuyao Land Bureau on 11 June 2008 to acquire the Land Use Rights at the Land Consideration of RMB27,144,825 (equivalent to approximately HK\$30,592,218) following the successful bid at an auction held on 11 June 2008. According to the terms of the Confirmation, a state-owned land use rights transfer agreement will be entered into by JF Furniture and Yuyao Land Bureau on or before 10 July 2008.

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## LETTER FROM THE BOARD

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As each of the asset ratio and the consideration ratio of the Land Consideration of the Transaction exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. The purpose of this circular is to provide the Shareholders with further information on the Transaction and the other information in compliance with the requirements of the GEM Listing Rules.

### THE TRANSACTION

On 11 June 2008, JF Furniture, a wholly foreign owned enterprise established in the PRC and a wholly-owned subsidiary of the Company, had entered into the following Confirmation following the successful bid at an auction held on 11 June 2008:

Date	:	11 June 2008
Parties	:	(i) Yuyao Land Bureau (as offeror) (ii) JF Furniture, (as successful bidder)
Land Consideration	:	RMB27,144,825 (equivalent to approximately HK\$30,592,218)
Terms of the Land Use Rights	:	50 years from the date of handover of the Land
Land Use Rights to be transferred	:	The Land Use Rights of the Land
Payment terms	:	JF Furniture shall pay the Land Consideration on or before 10 July 2008.

### Principal terms under the auction documents and the Confirmation

1. The construction on the Land shall be commenced on or before December 2008 and shall be completed for inspection before 30 December 2009;
2. The buildings to be constructed on the Land shall meet plot ratio of 1.20 or above; the construction density shall be between 32% and 45%; the proportion of green area shall be between 15% to 20%; and the height of the building shall be two storeys or above (if the height of the building is above 8 metres, the plot ratio may be calculated based on two storeys only);
3. The investment on the Land shall be RMB18,900,000 or above per hectare; and
4. JF Furniture shall enter into a state-owned land use rights transfer agreement with the Yuyao Land Bureau on or before 10 July 2008.

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## LETTER FROM THE BOARD

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### **Principal terms under the prescribed form of the Land Agreement**

1. The transferee shall complete the land use rights registration and apply for the land use rights certificate within 30 days from the full payment of the Land Consideration. Yuyao Land Bureau shall, within 30 days from the receipt of the transferee's application, arrange for land use rights registration and issue the land use rights certificate to the transferee.
2. During the term of the Land Use Rights, the transferee must utilize the Land in accordance with the specific land user and conditions thereof set out in the Land Agreement. Any change of such user and conditions must be approved by Yuyao Land Bureau. In which event, a supplemental agreement or a new land agreement shall be signed and the relevant land consideration shall be adjusted and registration of the changes shall be made;
3. Upon the expiration of the term of the Land Use Rights, if the transferee wishes to extend the term of its right to use the Land, it shall apply for such extension to Yuyao Land Bureau with one year's prior notice. Yuyao Land Bureau shall approve such extension unless resumption of the Land is required due to public interest;
4. The transferee shall develop and construct on the Land in accordance with the terms of the Land Agreement. If the transferee fails to commence development or construction on the Land after the expiration of one year from the agreed date of commencement of construction, Yuyao Land Bureau may impose an idle land fee equivalent to 20% of the land consideration. If the transferee fails to commence the development or construction on the Land after the expiration of two years, Yuyao Land Bureau may resume the Land without compensation;
5. In the event that the development or construction works have commenced in accordance with the terms of the Land Agreement, but the constructed area is less than one-third of the gross floor area, or the total invested amount is less than 25% of the specified total investment, and the construction works ceased to continue for one year without approval, Yuyao Land Bureau shall also be entitled to impose the idle land fee on the transferee; and
6. Upon the full payment of the land consideration and the issue of the land use rights certificate, the transferee shall be entitled to transfer, lease and pledge the land use rights of the Land provided that on the first time of transfer (including sale, exchange or gift) of the remaining term of the land use right, certain conditions must be fulfilled, i.e. the completion of over 25% of the total investment on the Land in accordance with the agreed investment portfolio and the completion of the development of the land for industrial use or other land user in accordance with the agreed investment portfolio.

To the best of the Director's knowledge, information and belief and having made all reasonable enquiry, Yuyao Land Bureau, being a PRC governmental administrative authority, and the ultimate beneficial owner of Yuyao Land Bureau are third parties independent of the Group and connected persons of the Group as defined under the GEM Listing Rules.



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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief, the Land Consideration was offered by Yuyao Land Bureau as the starting price for the auction of the Land. The starting price was set for the Land by Yuyao Land Bureau in accordance with the relevant rules and regulations of the PRC government. Since the Land Consideration (being the starting price) was offered by JF Furniture at a public auction and fixed upon JF Furniture's successful bid, the Directors, including the independent non-executive directors, consider that (i) the Land Consideration was determined on an arm's length basis; and (ii) the terms of the Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Land Consideration will be funded partly by internal resources of the Group and partly by bank borrowings.

### REASONS FOR THE TRANSACTION

The Group is principally engaged in the manufacture and sale of (i) furnishings and home products and accessories primarily used in kitchens and bathrooms with stainless steel as raw materials, and (ii) wooden panel furniture. JF Furniture, being a wholly owned subsidiary of the Company and the sales and manufacturing arm of wooden panel furniture products of the Group, is in a continuous process of expanding its production capacity and diversification of its product range.

The Group intends to use the Land for the construction and setting up of a new production plant in order to meet the future expansion need of production capacity for the wooden panel furniture business. The Directors believe that the acquisition of the Land is beneficial to the operations of the Group and the construction and setting up of a new production plant will provide the Group with additional space for future operational expansion and to forge core competitiveness of the Group.

As the Land Consideration will be funded partly by internal resources of the Group and partly by bank borrowings, there will be a decrease in both current assets and net current assets in relation to the corresponding amount of internal resources to be used to finance the payment of the Land Consideration, and also an increase in current liabilities and a decrease in net current assets in relation to the corresponding amount of borrowings. The non-current assets of the Company will also be increased by the total amount of RMB27,144,825 (equivalent to approximately HK\$30,592,218), being the Land Consideration. As no income will be generated until the completion of construction of the production plant on the Land, the acquisition of the Land does not have any immediate earning effect on the Group.

### DISCLOSEABLE TRANSACTION

As each of the asset ratio and the consideration ratio of the Land Consideration of the Transaction exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

As at the date of Latest Practicable Date, no building or property has been erected on the Land. If the costs of construction of the production plant on the Land in aggregate with the cost of acquisition of the Land shall exceed the relevant percentage ratios under Chapter 19 of the GEM Listing Rules, the Company will take all necessary steps to comply with the relevant requirements under Chapter 19 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the further information set out in the Appendix to this circular.

Yours faithfully  
For and on behalf of the Board of  
**JF Household Furnishings Limited**  
**Yan Siu Wai**  
*Chairman and executive Director*

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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:

- (a) the information contained in this circular is accurate and complete in all material aspects and not misleading;
- (b) there are no other matters the omission of which would make any statement herein misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

**2. DISCLOSURE OF DIRECTORS' INTERESTS**

As at the Latest Practicable Date, the interests of the Directors and the chief executives of the Company and each of their respective associates (as defined under the GEM Listing Rules), in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

## (i) Interests in the shares of the Company

Name of Director	Class and number of shares of which interested (other than under equity derivatives)	Capacity and Nature of interest	Long/Short position	Approximate percentage of total issued share capital in the Company
Mr Yan Siu Wai	12,600,000 ordinary shares (Note 1)	Beneficial Owner	Long	7.31%
	63,000,000 ordinary shares (Note 2)	Interest in controlled Corporation	Long	36.56%
Mr Leung Kwok Yin	15,120,000 ordinary shares (Note 3)	Beneficial Owner	Long	8.77%
	12,600,000 ordinary shares (Note 4)	Interest in uncontrolled Corporation	Long	7.31%
Mr Bao Jisheng	22,680,000 ordinary shares (Note 5)	Interest in uncontrolled Corporation	Long	13.16%

## Notes:

- The 12,600,000 Shares were registered in the name of Mr Yan Siu Wai directly.
- Among these 63,000,000 Shares, (i) 34,020,000 Shares were registered in the name of Excel Strength Investments Limited (“**Excel Strength**”); and (ii) 28,980,000 Shares were registered in the name of Willhero Investments Limited (“**Willhero**”). 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 was deemed to be interested in 63,000,000 Shares through his shareholdings in Excel Strength and Willhero.
- The 15,120,000 Shares were registered in the name of Mr Leung Kwok Yin directly.
- The 12,600,000 Shares were registered in the name of Joyday Consultants Limited (“**Joyday**”). Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr Leung Kwok Yin. By virtue of the SFO, Mr Leung Kwok Yin was deemed to be interested in 12,600,000 Shares through his shareholding in Joyday.
- The 22,680,000 Shares were registered in the name of Hero Talent Investments Limited (“**Hero Talent**”). Hero Talent is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr Bao Jisheng. By virtue of the SFO, Mr Bao Jisheng is deemed to be interested in 22,680,000 Shares through his shareholding in Hero Talent.

**(ii) Interests in underlying shares of the Company**

Name of Director	Number of outstanding share options as at the Latest Practicable Date	Capacity and Nature of interest	Date of Grant	Exercise Period <i>(Note)</i>	Exercise price per share <i>(HK\$)</i>	Approximate percentage of total issued capital share in the Company
Mr Yan Siu Wai	4,435,200	Beneficial Owner	8 September 2005	13 April 2006 to 12 October 2010	0.80	2.57%
Mr Leung Kwok Yin	2,956,800	Beneficial Owner	8 September 2005	13 April 2006 to 12 October 2010	0.80	1.72%
Mr Bao Jisheng	3,360,000	Beneficial Owner	8 September 2005	13 April 2006 to 12 October 2010	0.80	1.95%

*Note:*

The exercise of the options by the Directors was subject to a moratorium period of 12 months from the date of listing which had expired on 12 October 2006.

As at the Latest practicable Date, save as disclosed above, none of the Directors or chief executive of the Company and each of their respective associates (as defined under the GEM Listing Rules) had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

**3. SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, so far as is known to the Directors, the following parties (other than a Director or chief executive of the Company who are deemed to be interested in the shares of the Company held by them), had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of the Divisions 2 and 3 of the Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of

share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital;

<b>Name of Shareholder</b>	<b>Capacity and nature of interest</b>	<b>Number of ordinary shares</b>	<b>Long/Short position</b>	<b>Approximate percentage of the issued share capital of the Company</b>
Excel Strength (Note 1)	Beneficial owner	34,020,000	Long	19.74%
Willhero (Note 1)	Beneficial owner	28,980,000	Long	16.82%
Hero Talent (Note 2)	Beneficial owner	22,680,000	Long	13.16%

Notes:

- 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. Mr Yan Siu Wai is also the sole director of each of Excel Strength and Willhero.
- Hero Talent is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr Bao Jisheng. Mr Bao Jisheng is also the sole director of Hero Talent.

#### 4. SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commenced from 8 September 2005 and expired 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 their appointment, unless terminated by not less than 6 months' notice in writing served by either party expiring at the end of the initial term or at any time thereafter.

The non-executive Director, Mr Kwan Kai Cheong, was initially appointed as an independent non-executive Director of the Company for a term of 30 months commenced from 8 March 2005 which term had been renewed for a further term of 24 months commenced from 8 September 2007. The further term of appointment will be terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr Kwan Kai Cheong and the Company. Mr Kwan Kai Cheong was re-designated as a non-executive Director of the Company on 9 April 2008, and the terms of his letter of appointment continue to be effective save for the re-designation.

Mr Yu Hon Wing Allan and Mr Garry Alides Willinge, the independent non-executive Directors of the Company, were initially appointed for a term of 30 months commenced from 8 March 2005 which term had been renewed for a further term of 24 months commenced from 8 September 2007. Mr Chu Kwok Man, an independent non-executive Director of the Company, was appointed for a term of 17 months commenced from 9 April 2008. Each of their term of appointment will be terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between the respective independent non-executive Director and the Company.

## **5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2007, being the date to which the latest published audited accounts were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and which was significant in relation to the business of any member of the Group.

As at the Latest Practicable Date, none of the Directors, the management shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any conflict of interest with any member of the Group or any interest in a business which competes or may compete with the business of any member of the Group.

## **6. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened against the Group.

## **7. GENERAL**

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is located at 15th Floor, EIB Tower, 4-6 Morrison Hill Road, Wanchai, Hong Kong.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at Level 26, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The company secretary as well as the qualified accountant of the Company is Mr Cheung Wai Tak. Mr Cheung is a Certified Public Accountant in the United States and is a member of the Hong Kong Institute of Certified Public Accountants.

- (d) The compliance officer is Mr Yan Siu Wai, who 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 masters 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 27 years of experience in industrial management and manufacturing.
- (e) The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual reports and accounts, half-yearly reports and quarterly reports and to provide advice and comments thereon to the Directors. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

The audit committee comprises the three independent non-executive Directors, namely Mr Yu Hon Wing Allan, Mr Garry Alides Willinge and Mr Chu Kwok Man, and the non-executive Director, Mr Kwan Kai Cheong. Mr Yu Hon Wing Allan is the chairman of the audit committee. The professional qualifications of each of the members of the audit committee are as follows:

Mr Yu Hon Wing Allan, aged 51, 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 an independent non-executive director of Multistack International Limited, a company listed on the Australian Securities Exchange and the controlling interests of which are held by Mr Yan Siu Wai and Mr Leung Kwok Yin, the executive Directors of the Company. Mr Yu was appointed an independent non-executive Director of the Company in March 2005, and his term of appointment had been renewed for a further term of 24 months commenced from 8 September 2007.

Mr Garry Alides Willinge, aged 58, is a fellow of the Australian Institute of the 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 (now known as "the Securities Institute of Australia"). Mr Willinge is an independent non-executive director of China Medical and Bio Science Limited (formerly known as China Medical Science Limited), a company listed on GEM and China Properties Group Limited, a company listed on the Main Board. Prior to joining the Group, he has worked in a number of management roles in a multinational information technology company. Mr Willinge was appointed an independent non-executive Director of the Company in March 2005, and his term of appointment had been renewed for a further term of 24 months commenced from 8 September 2007.



Mr Chu Kwok Man, aged 52, is a solicitor practising in Hong Kong since 1983. Mr Chu was awarded the degree of Master of Laws by the City University of Hong Kong and the degree of Master of Corporate Finance by the Hong Kong Polytechnic University. Mr Chu is also an independent non-executive director of Decca Holdings Limited, a company listed on the Main Board of the Stock Exchange and Multistack International Limited, a company listed on the Australian Securities Exchange which controlling interests are held by Mr Yan Siu Wai and Mr Leung Kwok Yin, the executive Directors of the Company. Mr Chu was appointed as an independent non-executive Director of the Company for a term of 17 months commenced from 9 April 2008.

Mr Kwan Kai Cheong, aged 58, 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 executive director of China Medical and Bio Science Limited (formerly known as “China Medical Science Limited”), a company listed on GEM, and a non-executive director of China Properties Group Limited, a company listed on the Main Board. He is an independent non-executive director for several listed companies in Hong Kong, namely Hutchison Telecommunications International Limited, Hutchison Harbour Ring Limited, Soundwill Holdings Limited, Win Hanverky Holdings Limited and Sunlight REIT (which are all listed on the Main Board of the Stock Exchange). Mr Kwan was appointed an independent non-executive director of T.S. Telecom Technologies Limited, a company listed on GEM, on 10 March 2005 and had resigned on 21 January 2008. Furthermore, Mr Kwan is also a director of Yaohan International Holdings Limited, a company previously listed on the Main Board which is pending liquidation (“Liquidation”). In this regard, 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 his duties of acting as a non-executive Director of the Company. Mr Kwan was initially appointed as an independent non-executive Director of the Company since 8 March 2005, and was re-designated as a non-executive Director of the Company on 9 April 2008.

- (f) In the event of inconsistency, the English language text of this circular shall prevail the Chinese language text.