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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: 776)

**PROPOSED CHANGE OF COMPANY NAME
AND
CONSULTANCY AGREEMENT
IN RESPECT OF THE PROVISION OF MANAGEMENT AND TECHNICAL
CONSULTANCY SERVICES TO HAI LONG**

PROPOSED CHANGE OF COMPANY NAME

The Board announces that it proposes to change the English name of the Company from “JF Household Furnishings Limited” to “MR Prosperity Holding Company Limited” and the Chinese name of the Company from “捷豐家居用品有限公司” to “匯金榮通控股有限公司”.

A circular containing, among other matters, details of the proposed Change of Name, together with a notice of EGM and the related proxy form, will be despatched to the Shareholders as soon as practicable.

CONSULTANCY AGREEMENT

The following is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board further announces that on 20 December 2011, Hai Long and Fast Mind entered into the Consultancy Agreement, pursuant to which Fast Mind agreed to provide the Consultancy Services to Hai Long (which is the holder of the Mining Licence and the Exploration Licence) in respect of its business of mining and exploration of the Shuijing Tun Mine.

PROPOSED CHANGE OF COMPANY NAME

The Board announces that it proposes to change the English name of the Company from “JF Household Furnishings Limited” to “MR Prosperity Holding Company Limited” and the Chinese name of the Company from “捷豐家居用品有限公司” to “匯金榮通控股有限公司”, subject to the conditions set out below being fulfilled.

Conditions

The Change of Name will be subject to the following conditions:

1. the passing of a special resolution by the Shareholders at the EGM to approve the Change of Name; and
2. the Registrar of Companies in the Cayman Islands granting approval for the use of the proposed new English and Chinese names by the Company.

Reasons for the Change of Name

The Group is principally engaged in the manufacturing and sale of furnishings, home products and accessories primarily used in kitchens and bathrooms with stainless steel as raw materials. The Board considers that the Change of Name can provide the Company with a fresh corporate image and identity which will benefit the future business development of the Company. The Board is of the opinion that the proposed Change of Name is in the best interests of the Company and the Shareholders as a whole.

Effects of the Change of Name

The Change of Name will take effect from the date of entry of the new names on the register maintained by the Registrar of Companies in the Cayman Islands. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

The Change of Name will not affect any rights of the Shareholders or the Company’s daily business operation and its financial position.

All existing share certificates of the Company in issue bearing the present name of the Company shall, after the Change of Name becoming effective, continue to be evidence of title to the Shares and will continue to be valid for trading, settlement, registration and delivery for the same number of Shares in the new name of the Company. As such, no arrangement will be made for the exchange of the existing share certificates of the Company for the new share certificates bearing the Company’s new name as a result of the Change of Name.

Once the Change of Name has become effective, any new share certificates of the Company will be issued only in the new name of the Company and the securities of the Company will be traded on the Stock Exchange in the new name.

General

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Change of Name. A circular containing, among other things, details of the Change of Name, together with a notice of EGM and the related proxy form, will be despatched to the Shareholders as soon as practicable.

The Company will make further announcement as and when appropriate on the results of the EGM, the effective dates of the Change of Name and the new stock short name of the Company.

As no Shareholders have a material interest in the Change of Name, no Shareholders will be required to abstain from voting on the resolution to approve the Change of Name.

CONSULTANCY AGREEMENT

The following is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board further announces that on 20 December 2011, Hai Long and Fast Mind entered into the Consultancy Agreement, pursuant to which Fast Mind agreed to provide the Consultancy Services to Hai Long (which is the holder of the Mining Licence and the Exploration Licence) in respect of its business of mining and exploration of Shuijing Tun Mine. As at the date of the Consultancy Agreement, Hai Long has already commenced minimal operation of mining and exploration of the Shuijing Tun Mine.

The principal terms of the Consultancy Agreement are set out below:

Parties

- (i) Hai Long; and
- (ii) Fast Mind, an indirect wholly-owned subsidiary of the Company.

Hai Long is the holder of the Mining Licence and the Exploration Licence, the principal business of which is the mining and exploration of the Shuijing Tun Mine. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Hai Long and its ultimate beneficial owners is an Independent Third Party.

Term of the Consultancy Agreement

From 21 December 2011 to 20 December 2012, being one year immediately after the date of the Consultancy Agreement.

Scope of the Consultancy Services

Pursuant to the terms of the Consultancy Agreement, Fast Mind has agreed to provide to Hai Long the Consultancy Services in respect of the business operated by Hai Long, including but not limited to (i) assist Hai Long in the formulation of its management model and business and development plans; (ii) provide financial management consultancy services to Hai Long; (iii) provide market and industry information to Hai Long; (iv) assist Hai Long in conducting market research in respect of the business operated by Hai Long; (v) assist Hai Long to improve its exploration and mining technology; and (vi) provide training to the management staff and work force of Hai Long.

Consultancy fee

The consultancy fee under the Consultancy Agreement is RMB2,000,000 (equivalent to approximately HK\$2,469,000) per annum, which will be paid by Hai Long in cash to Fast Mind in an amount of RMB500,000 (equivalent to approximately HK\$617,000) on a quarterly basis. Payments by Hai Long to Fast Mind shall be made after the discussion between Hai Long and Fast Mind on the Consultancy Services provided and the sign off of a consultancy services confirmation by both parties quarterly.

The consultancy fee was agreed between the parties to the Consultancy Agreement after arm's length negotiation having regard to (i) the Consultancy Services to be provided by Fast Mind under the Consultancy Agreement; (ii) the experience and expertise of the relevant personnel of Fast Mind; and (iii) the current market situation.

Termination

The Consultancy Agreement may be terminated by either party by way of giving 60 days' prior written notice.

Reasons for entering into of the Consultancy Agreement

The principal business of the Group is the manufacture and sale of furnishings, home products and accessories primarily used in kitchens and bathrooms with stainless steel as raw materials. The Board considers that the entering into of the Consultancy Agreement can diversify the Group's business and broaden its revenue base. The Group has recruited and appointed relevant personnel who have experience in the mining business. The Directors considered that based on the experience and expertise of the newly joined management team, the Consultancy Services

will contribute to the Group's development of its new business. The Board is therefore of the view that the terms of the Consultancy Agreement, which are negotiated on an arms' length basis, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

General

The transaction under the Consultancy Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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| “Board” | the board of the Directors |
| “Change of Name” | the proposed change of English name of the Company from “JF Household Furnishings Limited” to “MR Prosperity Holding Company Limited” and the Chinese name of the Company from “捷豐家居用品有限公司” to “匯金榮通控股有限公司”, subject to the conditions as set out above under the paragraph headed “Conditions” in this announcement |
| “Company” | JF Household Furnishings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange |
| “Consultancy Agreement” | the consultancy agreement dated 20 December 2011 and entered into between Hai Long and Fast Mind with respect to the provision of the Consultancy Services to Hai Long |
| “Consultancy Services” | the management and technical consultancy services rendered by Fast Mind to Hai Long pursuant to the Consultancy Agreement |
| “Directors” | the directors of the Company |
| “EGM” | an extraordinary general meeting of the Company to be held on a date to be decided by the Company at which resolutions will be proposed to consider and, if thought fit, to approve the Change of Name |

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| “Exploration Licence” | the exploration of mineral resources licence granted by 張家口市國土資源局 (transliteration as Zhangjiahou Municipal Bureau of land and resources) in respect of the Shuijing Tun Mine with an exploration area of approximately 3.53 sq. km. and valid for the period from 19 September 2011 and 20 July 2013 |
| “Fast Mind” | Fast Mind Corporation Limited (本迅有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Group” | the Company and its subsidiaries from time to time |
| “Hai Long” | 張家口市海龍金礦有限公司 (transliteration as Zhangjiahou Hai Long Gold Mine Co Ltd*), a limited liability company established in the PRC |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | a party which is independent of the Company and its connected persons (as defined under the Listing Rules) and is not a connected person |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mining Licence” | the mining of mineral resources licence granted by 張家口市國土資源局 (transliteration as Zhangjiahou Municipal Bureau of land and resources) in respect of the Shuijing Tun Mine with a mining area of approximately 0.1877 sq. km. and valid for the period from 10 June 2011 to 10 June 2016 |
| “PRC” | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Shareholders” | the holder of the issued Shares |
| “Shares” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |

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| “Shuijing Tun Mine” | a gold mine located at Gao Jia Ying Town, Chong Li County, Zhangjiakou City, Hebei Province, the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “%” | per cent. |
| “sq. km.” | square kilometers |

By order of the Board
JF Household Furnishings Limited
Zhang Qian
Chairman

Hong Kong, 20 December 2011

* *The English transliteration of the Chinese name in this announcement is included for information only and should not be regarded as the official English name of such Chinese name.*

As at the date of this announcement, the executive Directors are Ms. Zhang Qian, Messrs. He Xianmei, Niu Jinsheng, Leung Kwok Yin and Leung Kwok Pong; and the independent non-executive Directors are Dr. Liu Yongping and Messrs. Wu Chi Keung and Wang Siyong.

For the purpose of this announcement, RMB have been translated into Hong Kong dollars at the rate of RMB0.81 to HK\$1.00. No representation is made that any amounts in RMB or Hong Kong dollars have been or could be converted at the above rates or at any other rates or at all.

This announcement will remain on the “Latest Information” page of the Stock Exchange’s HKEx news website at <http://www.hkexnews.hk/index.htm> for at least seven days from the day of posting and on the Company’s website at <http://www.jffurnishings.com>.