JF Household Furnishings Limited
捷 豐 家 居 用 品 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0776)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

The board (the "Board") of directors (the "Directors") of JF Household Furnishings Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2013 (the "period"), together with the unaudited comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

		Unaudited	
		Six months ended 30 June	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Turnover	*3*	**79,995**	131,554
Cost of sales		**(75,389)**	(120,893)
Gross profit		**4,606**	10,661
Other income	*4*	**208**	461
Distribution costs		**(297)**	(622)
Administrative expenses		**(12,901)**	(11,790)
Loss from operations		**(8,384)**	(1,290)
Finance costs		**(1,288)**	(1,983)
Loss before tax		**(9,672)**	(3,273)
Income tax expense	*5*	**–**	(424)
Loss for the period		**(9,672)**	(3,697)
Other comprehensive income/(loss):			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation on foreign operations		**551**	(1,551)
Total comprehensive loss for the period		**(9,121)**	(5,248)
Loss per share			
Basic and diluted (HK$ cents)	*7*	**(4.04)**	(1.56)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2013

	Note	**Unaudited At 30 June 2013 HK$'000**	Audited At 31 December 2012 HK$'000
Non-current assets			
Property, plant and equipment	8	**14,610**	17,120
Current assets			
Inventories		**53,897**	54,913
Trade receivables	9	**17,229**	20,795
Due from related companies		**5,147**	5,323
Deposits, other receivables and prepayment		**12,336**	20,565
Tax recoverable		**1,714**	–
Restricted cash and bank balances		**1,406**	12,022
Cash and bank balances		**20,969**	36,260
		112,698	149,878
Current liabilities			
Trade and bills payables	10	**12,876**	34,480
Other payables and accruals		**30,671**	29,997
Current tax liabilities		**–**	6,324
Bank borrowings		**40,636**	44,047
		84,183	114,848
NET CURRENT ASSETS		**28,515**	35,030
TOTAL ASSETS LESS CURRENT LIABILITIES		**43,125**	52,150
Non-current liabilities			
Deferred tax liabilities		**1,716**	1,716
NET ASSETS		**41,409**	50,434
CAPITAL AND RESERVES			
Share capital	11	**2,393**	2,393
Reserves		**39,016**	48,041
TOTAL EQUITY		**41,409**	50,434

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six months ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Total equity of the Group at 1 January	**50,434**	48,512
Change in equity during the period:		
– Exchange differences arising on translation	**551**	(1,551)
– Loss for the period	**(9,672)**	(3,697)
Total comprehensive loss for the period	**(9,121)**	(5,248)
Placing of shares	**–**	156
Share premium arising from placing of shares	**–**	28,686
Warrant reserve arising from issue of warrants	**–**	180
Share premium arising from exercise of warrant subscription rights	**96**	–
Total equity of the Group at 30 June	**41,409**	72,286

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six months ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Net cash used in operating activities	**(18,383)**	(232)
Net cash generated from investing activities	**6,265**	240
Net cash (used in)/generated from financing activities	**(3,315)**	19,479
Net (decrease)/increase in cash and cash equivalent	**(15,433)**	19,487
Cash and cash equivalents at 1 January	**36,260**	19,522
Effect of foreign exchange rate changes	**142**	(1,148)
Cash and cash equivalents at 30 June	**20,969**	37,861
Analysis of cash and cash equivalents		
Cash and bank balances	**20,969**	37,861

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Room 2410-2411, 24/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. This condensed consolidated financial information are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

This condensed consolidated financial information have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

This condensed consolidated financial information have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, as appropriate.

Except as described below, the accounting policies and methods of computation used in this condensed consolidated financial information for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

Application of new or revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied, for the first time, certain new or revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are mandatorily effective for the current interim period.

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the accounts reported in these condensed consolidated financial information and/or disclosures set out in these condensed consolidated financial information.

3. TURNOVER AND SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. For management purposes, the Group is currently organised into one single segment, i.e. the manufacture and sale of stainless steel furnishings and home products, and all revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to this single operating segment. Accordingly, no segment analysis by business and geographical information is presented.

4. OTHER INCOME

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Government grants	**15**	26
Interest income	**191**	162
Net exchange gain	**–**	273
Others	**2**	–
	208	461

5. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the period.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Pursuant to the New PRC enterprise income tax law, which is passed by the Tenth National People's Congress on 16 March 2007 and effective from 1 January 2008, the enterprise income tax has various changes. It includes the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%; cancellation of existing tax holiday available to export-oriented enterprises; and enforcement of commencement of the tax holiday on 1 January 2008 for those Foreign Investment Enterprise which have not commenced their tax holiday due to ongoing tax losses since their commencement of businesses.

The relevant tax holiday for the operating PRC subsidiaries of the Company, 寧波捷豐家居用品有限公司 (JF A.C.R Equipment Supplies (Ningbo) Co., Limited.) ("JF Ningbo") and 寧波捷豐金屬製品有限公司 (Ningbo JF Metal Products Co., Limited.) ("JF Metal"), had expired. Hence, JF Ningbo and JF Metal are subject to the PRC enterprise income tax of 25%.

6. DIVIDEND

No dividends were paid, declared or proposed during the period. The Directors have determined that no dividend will be paid in respect of the interim period (2012:Nil).

7. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	**(9,672)**	(3,697)
Number of shares		
Weighted average number of ordinary shares used in basic and diluted loss per share calculation	**239,333,000**	236,682,000

The effects of all potential ordinary shares are anti-dilutive for the period ended 30 June 2013.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group had additions to property, plant and equipment in the amount of approximately HK$78,000 (2012: approximately HK$59,000).

9. TRADE RECEIVABLES

The Group normally granted customers with credit terms of 30 to 90 days. The ageing analysis of the Group's trade receivables, based on the invoice date, and net of allowance, is as of follows:

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**11,162**	19,298
31 – 60 days	**5,983**	1,336
61 – 90 days	**–**	–
Over 90 days	**84**	161
Total	**17,229**	20,795

10. TRADE AND BILLS PAYABLES

	2013	2012
	HK$'000	*HK$'000*
Trade payables	**12,214**	12,582
Bills payables	**662**	21,898
	12,876	34,480

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers. The ageing analysis of the Group's trade payables, based on invoice date, is as follows:

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**10,536**	6,407
31 – 60 days	**1,602**	3,972
61 – 90 days	**4**	1,912
Over 90 days	**72**	291
Total	**12,214**	12,582

11. SHARE CAPITAL

	Number of shares '000	Par value HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 January 2013	**500,000**	5,000
Increase on 21 January 2013 *(Note)*	**4,500,000**	45,000
At 30 June 2013	**5,000,000**	50,000
Issued and fully paid ordinary shares of HK$0.01 each:		
At 1 January 2013 (audited)	**239,289**	2,393
Exercise of warrant subscription rights	**50**	–
At 30 June 2013 (unaudited)	**239,339**	2,393

Note: On 21 January 2013, the shareholders of the Company at the extraordinary general meeting approved the increase in authorised share capital of the Company from HK$5,000,000 divided into 500,000,000 ordinary shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 shares by the creation of an additional 4,500,000,000 ordinary shares of HK$0.01 each. The newly issued shares ranked pari passu with the initial issued shares.

	Number of shares '000	Par value HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 January 2012 and 31 December 2012	**500,000**	5,000
Issued and fully paid ordinary shares of HK$0.01 each:		
At 1 January 2012 (audited)	**223,689**	2,237
Issue of shares upon on placing	**15,600**	156
At 31 December 2012 (audited)	**239,289**	2,393

12. OPERATING LEASE COMMITMENT

The Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings which full due as follow:

	30 June 2013 *HK$'000*	31 December 2012 *HK$'000*
Within one year	**2,433**	3,176
In the second to fifth year, inclusive	**–**	938
	2,433	4,114

13. DISPOSAL OF SUBSIDIARIES GROUP

On 3 June 2013, the Group disposed of its 100% equity interests in Fast Mind Corporation Limited and its subsidiaries (the "Fast Mind Group") to an independent third party. The net assets of Fast Mind Group at the date of disposal were as follows:

	HK$'000
Consideration received:	
Cash received	–
Analysis of assets and liabilities over which control was lost:	
Deposits, other receivables and prepayments	934
Cash and bank balances	4,464
Other payables and accruals	(18)
Amount due to an immediate parent company	(5,380)
Net assets disposed of	–
Gain on disposal of a subsidiary:	
Consideration received	–
Net assets disposed of	–
Gain on disposal	–
Net cash outflow arising on disposal:	
Cash consideration	–
Less: Cash and bank balances disposed of	(4,464)
	(4,464)

During the six months period ended 30 June 2013, the Fast Mind Group had contributed the Group of:

	HK$'000
Turnover	–
Loss for the period	(2,797)
Cash used in operating activities	(1,499)
Cash from investing activities	–
Cash used in financing activities	(12,897)

14. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in this condensed financial information, the Group had the following transactions and balances with related parties during the period:

(a) Key management personnel compensation

The key management personnel of the Group comprises all Directors. Details of their emoluments were disclosed as follows:

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Directors' remuneration	**1,197**	1,049

(b) Transactions with related parties

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Rental income – 寧波捷豐現代家俱有限公司 (Ningbo JF Furniture Co., Limited)	**435**	425
Leasing charges paid to – 余姚捷豐空調設備有限公司 (Yuyao Jiefeng Air Conditioning Equipment Co., Limited)	**292**	285
Processing charges paid to – 寧波捷豐現代家俱有限公司 (Ningbo JF Furniture Co., Limited)	**290**	283
License fees paid to – A.C.R. Equipment Supplies Limited	**60**	60
Rental expenses paid to – Senior management	**41**	41

An executive Director, Mr. Leung Kwok Yin has beneficial interests in the above companies.

(c) Balance with related parties

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
寧波捷豐現代家俱有限公司 (Ningbo JF Furniture Co., Limited)	**410**	586
JF Household Furnishings (BVI) Limited	**4,737**	4,737
	5,147	5,323

An executive Director, Mr. Leung Kwok Yin has beneficial interests in the above companies.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

The Group's turnover for the six months ended 30 June 2013 amounted to approximately HK$79.9 million, representing an decrease of approximately 39.2% over the corresponding period of 2012. The decrease in turnover is due to the European economy continued to worsen during the reviewing period.

Gross profit margin of the Group for the six months ended 30 June 2013 decreased to approximately 5.8% from approximately 8.1% for the six months ended 30 June 2012 mainly because of lower export tax refund, appreciation of Renminbi ("RMB") and the increase in labour costs.

Other income decreased from approximately HK$0.5 million in 2012 to approximately HK$0.2 million for the six months ended 30 June 2013, mainly due to the decrease in exchange gain and government grants.

Distribution costs dropped from approximately HK$0.6 million in 2012 to approximately HK$0.3 million for the six months ended 30 June 2013, mainly due to the decrease in transportation costs and declaration charge.

Administrative expenses increased from approximately HK$11.8 million in 2012 to approximately HK$12.9 million for the six months ended 30 June 2013, mainly due to increase in exchange loss and written off of property, plant and equipment.

Finance costs decreased from approximately HK$1.9 million in 2012 to approximately HK$1.3 million for the six months ended 30 June 2013, as bank borrowings decreased.

Business Review

During the reviewing period, the Group has recorded losses due to global financial crisis including the European debt crisis and the intense competition in the stainless steel furnishings and home products.

As the sales has decreased 39.2%, the factory capacity was underutilised, leading to increase in production costs. Moreover, our business was certainly test by the ongoing pressure from increasing of labour wages, the appreciation of the RMB currency and decrease in export tax refund.

As the unfavourable and challenging environment, the Group anticipate in the second half of 2013 would remain a difficult year that affect the operations of the Group.

Outlook

Due to the uncertain global economic outlook, the Group has no highly expectation about the future of the furnishings business. The Group has implemented and will continue to take a series of cost saving programs to reduce its manufacturing costs.

In addition to the existing business, the Group is seeking business opportunities to diversify its business base. We will continue to work hard to achieve growth and long-term profitability across all areas of our business.

Liquidity, Financial Resources, Funding and Treasury Policy

As at 30 June 2013, the Group had cash and bank balances of approximately HK$20.9 million (as at 31 December 2012: approximately HK$36.3 million) and short term bank borrowings of approximately HK$40.6 million (as at 31 December 2012: approximately HK$44.0 million) respectively.

As at 30 June 2013, the Group had current assets of approximately HK$112.7 million (31 December 2012: HK$149.9 million) and current liabilities of approximately HK$84.2 million (31 December 2012: HK$114.8 million).

Most of the trading transactions, assets and liabilities of the Group were denominated in RMB, US Dollars and Hong Kong Dollars.

Gearing Ratio

As at 30 June 2013, the Group's gearing ratio, which was derived from the total borrowings to total assets, increased to 31.9% from that of 26.4% as at 31 December 2012.

Capital Structure

There has been no material change in the capital structure of the Company for the six months ended 30 June 2013. The share capital of the Company comprises of ordinary shares only.

Material Acquisition and Disposal

Save as disclosed in note 13, the Group did not have any other material acquisition and disposal for the six months ended 30 June 2013.

Foreign Exchange Exposure

All transactions of the Group are denominated in RMB, Hong Kong Dollars or US Dollars.

Contingent Liabilities

As at 30 June 2013, the Group had no contingent liabilities.

Employees and Remuneration Policy

As at 30 June 2013, the Group employed 419 staff in the PRC and Hong Kong. The Group's remuneration to employees, including Directors' emoluments, amounted to HK$12.2 million for the period. The Group reviews employee remuneration annually and rewards its employee with reference to the length of services and performance. The Group also grants share options and bonuses to employees of the Group at the discretion of the Directors and based on the financial performance of the Group.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2013, none of the Directors and the chief executives of the Company nor each of their respective associates (as defined under the Listing Rules), had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("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 the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

As at 30 June 2013, none of the Directors have options to subscribe for shares in the Company.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2013, the following substantial shareholders had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO. Other than the interests disclosed below, the Directors were not aware of any other persons who had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Substantial Shareholders	**Number of shares interested in**	**Capacity**	**Approximate Percentage of the total issue Capital of the Company** *(Note 3)*
Power Ocean Holdings Limited *(Note 1 & 2)*	179,407,488	Beneficial owner	74.96%
Chau Cheok Wa *(Note 1)*	179,407,488	Interest through a controlled corporation	74.96%
Cheng Ting Kong *(Note 2)*	179,407,488	Interest through a controlled corporation	74.96%

Notes

1. According to the record in the register kept under section 336 of the SFO, Power Ocean Holdings Limited, which 50% of issued share capital is owned by Mr. Chau Cheok Wa and he is therefore deemed to be interested in 179,407,488 shares of the Company.

2. According to the record in the register kept under section 336 of the SFO, Power Ocean Holdings Limited, which 50% of issued share capital is owned by Mr. Cheng Ting Kong and he is therefore deemed to be interested in 179,407,488 shares of the Company.

3. The percentage has been adjusted based on the total number of shares of the Company as at 30 June 2013 (i.e. 239,339,000 shares).

SHARE OPTIONS

By written resolutions passed on 8 September 2005, the then shareholders of the Company approved and adopted a share option scheme entitling the Board to grant share options at its discretion before the listing of the Shares on GEM (the "Pre-IPO Share Option Scheme"), and conditionally adopted a post-IPO share option scheme (the "Post-IPO Share Option Scheme"). By an ordinary resolution passed on 26 November 2008, the then shareholders of the Company approved (i) the adoption of a new share option scheme ("New Share Option Scheme"), and (ii) the termination of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme. Pursuant to the terms of the Pre-IPO Share Option Scheme, the share options previously granted under the Pre-IPO Share Option Scheme but not yet exercised will remain valid and exercisable in accordance with the provisions of the Pre-IPO Share Option Scheme and the terms of issue of such options.

SHARE OPTION SCHEME

No options granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme are still outstanding. No options granted under the New Share Option Scheme since its adoption on 26 November 2008 are still outstanding.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company or any of its subsidiaries or its holding Company, was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the period under review or any time during the period under review save and except for the transactions disclosed as connected and/or related party transactions in accordance with the requirements of the Listing Rules and accounting principles generally accepted in Hong Kong.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares for the six months ended 30 June 2013.

CORPORATE GOVERNANCE

In the opinion of the Directors, save as disclosed below, the Company has complied with the code provisions as set out in the Corporate Governance Code ("CG Code") set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2013.

Under the CG Code provision E.1.2, the chairman of the Board should attend the annual general meeting ("AGM") and invite the chairmen of audit, remuneration and nomination to attend. However, in the AGM held on 31 May 2013 ("2013 AGM"), our chairman was unable to attend the meeting as he had to attend to other business commitments. He appointed an executive Director to chair the 2013 AGM on his behalf and answer any question from the shareholders concerning the Company's corporate governance. As provided for in the CG Code provision A.6.7, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Three independent non-executive directors were unable to attend the 2013 AGM.

The Company reviews its corporate governance practices from time to time to ensure compliance with the CG Code.

AUDIT COMMITTEE

The Company has established an Audit Committee with written terms of reference in accordance with the Listing Rules. The primary duties of the Audit Committee are to review the Company's interim and annual reports and accounts and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing internal control procedures of the Group. The Audit Committee comprises of three independent non-executive Directors, namely Mr. Fung Tze Wa (Chairman), Mr. Ting Wong Kacee and Mr. Tse Ting Kwan.

The Audit Committee has reviewed this unaudited condensed financial information for the six months ended 30 June 2013.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee with written terms of reference to set out its authority and duties. The primary duties of the Remuneration Committee are to review the remuneration policies and to approve the salary and bonus of the executive Directors and certain key executives, to review the remuneration policy of the Group and to approve the granting of options. The Remuneration Committee comprises of the three independent non-executive Directors, namely Mr. Ting Wong Kacee (Chairman), Mr. Fung Tze Wa and Mr. Tse Ting Kwan.

NOMINATION COMMITTEE

The Company has established a Nomination Committee with terms of reference to set out its authority and duties. The primary duties of the Nomination Committee are to consider and recommend to the Board suitably qualified persons to become a member of the Board and to review the structure, size and composition of the Board on a regular basis and as required. The Nomination Committee comprises three independent non-executive Directors, Mr. Tse Ting Kwan (Chairman), Mr. Fung Tze Wa and Mr. Ting Wong Kacee.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time (the "Model Code"), set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions of the directors of the Company. On specific enquiries made, all directors have confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2013.

Employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B of the Listing Rules, the change of information on Director is as follows:–

Mr. Cheng Ting Kong was appointed as the chairman and executive director of Sun International Resources Limited (stock code: 8029), a company listed on the Growth Enterprise Market of the Stock Exchange on 5 July 2013.

By order of the Board
JF Household Furnishings Limited
Cheng Ting Kong
Chairman

Hong Kong, 23 August 2013

As at the date of this announcement, the executive Directors are Mr. Cheng Ting Kong, Ms. Yeung So Lai, Mr. Leung Ming Ho and Mr. Leung Kwok Yin; and the independent non-executive Directors are Mr. Fung Tze Wa, Mr. Ting Wong Kacee and Mr. Tse Ting Kwan.