



28 September 2009

**High Concentration of Shareholding
in
JF Household Furnishings Limited (Stock Code: 776)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of JF Household Furnishings Limited (“the Company”) in the hands of a limited number of shareholders as at 14 September 2009.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 14 September 2009, 16 shareholders held an aggregate of 64,273,900 Shares, representing 30.77% of the issued Shares. Such shareholding, together with 127,000,000 Shares beneficially owned by executive directors of the Company, namely, Yan Siu Wai, Leung Kwok Yin and Bao Jisheng (representing 60.81% of the issued Shares), represented 91.58% of the issued Shares as at 14 September 2009. Thus, only 8.42% of the issued Shares were held by other investors.

As at 14 September 2009, the shareholding structure of the Company is as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Mr. Yan Siu Wai (Note 1)	75,600,000	36.20
Mr. Leung Kwok Yin (Note 2)	27,720,000	13.27
Mr. Bao Jisheng (Note 3)	23,680,000	11.34
A group of 16 shareholders	64,273,900	30.77
Other shareholders	17,580,100	8.42
Total	<u>208,854,000</u>	<u>100.00</u>

Note 1: Mr. Yan Siu Wai (“Mr. Yan”) is the Chairman and an executive director of the Company. The 75,600,000 shares consist of (i) 34,020,000 shares held by Excel Strength Investments Limited (“Excel Strength”); (ii) 28,980,000 shares held by Willhero Investments Limited (“Willhero”) and (iii) 12,600,000 shares held by Mr. Yan directly. Each of Excel Strength and Willhero is a company incorporated in the British Virgin Islands (“BVI”) and whose entire issued capital is solely owned by Mr. Yan.

Note 2: Mr. Leung Kwok Yin (“Mr. Leung”) is an executive director of the Company. The 27,720,000 shares consist of (i) 12,600,000 shares held by Joyday Consultants Limited (“Joyday”) and (ii) 15,120,000 shares



held by Mr. Leung directly. Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Leung.

Note 3: Mr. Bao Jisheng ("Mr. Bao") is an executive director of the Company. The 23,680,000 shares consist of (i) 22,680,000 shares held by Hero Talent Investments Limited ("Hero Talent") and (ii) 1,000,000 shares held by Mr. Bao directly. Hero Talent is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Bao.

It is noted that the closing share price of the Company surged by 57% from \$0.86 on 25 August 2009 to \$1.35 on 14 September 2009. As at 25 September 2009, share price of the Company closed at \$1.38, representing an increase of 60.5% from its closing price of \$0.86 on 25 August 2009.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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