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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: 0776)

DISCLOSEABLE TRANSACTION

PROVISION OF LOAN

On 29 September 2016, Best Gold, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower pursuant to which Best Gold has agreed to advance a loan in the principal amount of HK\$15,000,000 to the Borrower in accordance with the terms and conditions of the Loan Agreement.

The Directors consider that the Loan Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios for the transaction under the Loan Agreement calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Loan Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

PROVISION OF LOAN

On 29 September 2016, Best Gold, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower pursuant to which Best Gold has agreed to advance a loan in the principal amount of HK\$15,000,000 to the Borrower. The principal terms of the Loan Agreement are set out below:

THE LOAN AGREEMENT

Date: 29 September 2016

Parties:

Lender: Best Gold

Borrower: The Borrower

Best Gold is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and holds a money lender's licence under the Money Lenders Ordinance.

The Borrower is an individual. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Borrower is an Independent Third Party. Save for the Loan Agreement, there is no other business relationship between the Group and the Borrower.

Principal amount

Pursuant to the Loan Agreement, Best Gold has agreed to advance a loan in the principal amount of HK\$15,000,000 to the Borrower in accordance with the terms and conditions of the Loan Agreement.

Drawdown

The Loan will be made available to the Borrower during the Drawdown Period in up to two advances.

Term of the Loan

The term of the Loan shall be for a fixed term of two calendar months from the date of drawdown. The Borrower shall repay to Best Gold all outstanding Loan together with accrued interest on or before the Maturity Date.

Best Gold shall have the right at any time by notice in writing to the Borrower to require the Borrower to repay on demand the Loan and interest thereon.

Prepayment

The Borrower may prepay the Loan in whole or in part of the outstanding amounts owing under the Loan Agreement after the date of drawdown by notice in writing to Best Gold to that effect.

Interest

The rate of interest applicable to the Loan shall be 24% per annum from the date of drawdown. All interest shall be calculated on the basis of the actual number of days elapsed and a 365-day year and shall be paid monthly in arrears.

Security

The Loan is unsecured.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The Group is principally engaged in manufacturing and sale of furnishings, home products and accessories primarily used in kitchens and bathrooms, property investment and the money lending business.

The Directors consider that the Loan Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group. Since the terms of the Loan Agreement reflect the normal commercial terms, the Directors consider that the Loan Agreement is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios for the transaction under the Loan Agreement calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Loan Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Best Gold”	Best Gold Corporation Limited, a company incorporated in Hong Kong with limited liability and holds a money lender’s licence under the Money Lenders Ordinance
“Board”	the board of Directors
“Borrower”	the borrower under the Loan Agreement, being an individual and an Independent Third Party

“Business Day”	a day other than a Saturday, Sunday or public holiday on which banks in Hong Kong are generally open for business throughout their normal business hours
“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 Stock Exchange
“Director(s)”	the director(s) of the Company
“Drawdown Period”	the period commencing on the date of the Loan Agreement and ending on 28 October 2016 or such other dates as the parties to the Loan Agreement may agree in writing
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is third party independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the aggregate principal amount of HK\$15,000,000
“Loan Agreement”	the loan agreement dated 29 September 2016 and entered into between Best Gold and the Borrower in respect of the provision of the Loan by Best Gold to the Borrower
“Maturity Date”	two calendar months from the date of drawdown
“Money Lender Ordinance”	Money Lender Ordinance (Chapter 163 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in issued share capital of the Company

“**Stock Exchange**”

The Stock Exchange of Hong Kong Limited

“**HK\$**”

Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 29 September 2016

As at the date of this announcement, the executive Directors are Mr. Cheng Ting Kong, Ms. Yeung So Mui, Mr. Luk Wai Keung 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