

CACOLA FURNITURE INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands)

Company Registration Number: 179492

(“**Company**”)

PROPOSED RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY THE ENTITLED SHAREHOLDERS AS OF THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

- 1.1. The board of directors (“**Board**”) of Cacola Furniture International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 3 May 2016 in relation to the Company’s proposed renounceable non-underwritten rights issue (“**Rights Issue**”). Unless otherwise defined, all capitalized terms and references used herein shall bear the same meaning ascribed to them in the Company’s announcement dated 3 May 2016.

2. IN-PRINCIPLE APPROVAL

- 2.1 The Board wishes to announce that the Company has on 1 July 2016 obtained the in-principle approval from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of up to 6,446,991,796 new ordinary shares (“**Rights Shares**”) at the issue price of S\$0.00475 per Rights Share on the basis of four (4) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by Shareholders as at the Books Closure Date on the Main Board of the SGX-ST subject to the following :
- (a) compliance with the SGX-ST’s listing requirements;
 - (b) Shareholders’ approval for the Rights Issue;
 - (c) a written undertaking from the Company that it will comply with listing rules 704(30), 815 and 1207(20) in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report; and
 - (d) a written undertaking from the Company that it will comply with the confirmation given in listing rule 877(10) with regards to the allotment of any excess Rights Shares.

The in-principle approval from the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

3. DESPATCH OF CIRCULAR

- 3.1 The circular to Shareholders containing, amongst others, the Rights Issue, will be issued by the Company in due course.

4. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 4.1 None of the Directors or substantial Shareholders has any direct or indirect interests in the Rights Issue (other than through their respective shareholdings in the Company).

5. RESPONSIBILITY STATEMENT

- 5.1 The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this announcement misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

6. TRADING CAUTION

- 6.1 Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this announcement that the proposed allotment and issuance of the Rights Shares will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
CACOLA FURNITURE INTERNATIONAL LIMITED

ZHOU MIN ZONG
Executive Director and Chief Executive Officer

2 July 2016