

OFFER INFORMATION STATEMENT DATED 3 NOVEMBER 2016

(Lodged with the Monetary Authority of Singapore (the "Authority") on 3 November 2016)

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, OR OTHER PROFESSIONAL ADVISER(S).

This offer is made in or accompanied by an offer information statement (the "Offer Information Statement"), together with copies of the Provisional Allotment Letter (the "PAL"), the Application Form for Rights Shares and Excess Rights Shares (the "ARE") and the Application Form for Rights Shares (the "ARS"), which have been lodged with the Authority.

Neither the Authority nor the Singapore Exchange Securities Trading Limited ("SGX-ST") has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained in this Offer Information Statement. Neither the Authority nor the SGX-ST has in any way considered the merits of the securities being offered for investment. The lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with.

An application was made for permission for the Rights Shares (as defined herein) to be listed for quotation on the Official List of the SGX-ST, and an in-principle approval has been obtained from SGX-ST for the listing and quotation of the same on the Official List of the SGX-ST subject to certain conditions. The in-principle approval by the SGX-ST for the listing and quotation of the Rights Shares on the Official List of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares, the Company and/or its subsidiaries.

The Rights Shares will be admitted to the Official List of the SGX-ST and the listing and quotation of the Rights Shares will commence after all conditions imposed by the SGX-ST, the certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited ("CDP") have been despatched.

This Offer Information Statement has been prepared solely in relation to the Rights Issue and shall not be relied upon by any other person or for any other purpose.

Acceptance of applications will be conditional upon issue of the Rights Shares and upon listing and quotation of the Rights Shares on the Official List of the SGX-ST. Monies paid in respect of any application accepted will be returned if the listing of the Rights Shares does not proceed.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement.



CACOLA FURNITURE INTERNATIONAL LIMITED

(Incorporated in Cayman Islands)
(Company Registration Number: 179492)

RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 6,446,991,796 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.00475 FOR EACH 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 OF THE COMPANY AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN) TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

IMPORTANT DATES AND TIMES:

Last date and time for splitting	:	15 November 2016 at 5.00 p.m.
Last date and time for acceptance and payment	:	21 November 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein))
Last date and time for renunciation and payment	:	21 November 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for excess application and payment	:	21 November 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications)

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the “**Definitions**” section of this Offer Information Statement.

For Entitled Depositors (which excludes Entitled Scripholders, SRS Members and investors who hold Shares through finance companies or Depository Agents or the relevant approved banks), acceptances of the Rights Shares and/or (if applicable) applications for excess Rights Shares may be made through CDP or by way of an Electronic Application at any ATM of a Participating Bank.

For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd.

For investors who hold Shares through finance companies or Depository Agents, the acceptances of their Rights Shares and (if applicable) application for excess Rights Shares must be done through their respective finance companies or Depository Agents, and in the case of SRS Members who had bought Shares under the SRS, their relevant approved banks. Any application made directly to the CDP or through ATMs will be rejected.

For SRS Members, acceptances of their Rights Shares and (if applicable) application for excess Rights Shares can only be made using, subject to applicable SRS rules and regulations, standing to the credit of their respective SRS accounts.

For renounees of Entitled Shareholders or purchasers of provisional allotment of Rights Shares traded on the SGX-ST during the Rights Trading Period (“Purchasers”) whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

The existing Shares are listed and quoted on the Main Board of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Group, and the rights and liabilities attaching to the Rights Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, solicitor, accountant or other professional adviser before deciding whether to acquire the Rights Shares or invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by the Company.

IMPORTANT NOTICE

Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement Offer Information Statement with the Authority. All Entitled Shareholders and their renounees should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company is not making any representation in this Offer Information Statement to any person regarding the legality of an investment in the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the Rights and/or the Shares.

The Company makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the Rights Shares and/or the Shares. Prospective subscribers of the Rights Shares should rely on their investigation of the financial condition and affairs of the Company and the Group as well as their own appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and the accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares, and may not be relied upon by any persons (other than Entitled Shareholders to whom it is despatched by the Company, their renounees and purchasers of the provisional allotments of Rights Shares) or for any other purpose.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any person other than Entitled Shareholders (and their renounees and purchasers of the provisional allotments of Rights Shares) to whom it is despatched by the Company and their renounees or for any other purpose.

This Offer Information Statement, the PAL, the ARE and the ARS, may not be used for the purpose of, and do not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law in certain jurisdictions under the relevant securities laws of those jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions at their own expense and without liability to the Company. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

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DEFIINITIONS

For the purposes of this Offer Information Statement, the PAL, the ARE and the ARS, the following terms shall, unless the context otherwise requires, have the following meanings:

“Act” or “Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Announcement”	:	The announcements released by the Company on 3 May 2016 and 2 July 2016 in relation to the Rights Issue
“ARE”	:	Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on the Main Board of the SGX-ST through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine of a Participating Bank
“Authority”	:	The Monetary Authority of Singapore
“Board”	:	The board of Directors of the Company
“Books Closure Date”	:	5.00 p.m. on 2 November 2016, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company being the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine the Rights of the Entitled Shareholders under the Rights Issue
“Business Day”	:	A day (other than a Saturday, Sunday or public holiday) on which banks, the SGX-ST, CDP and the Share Registrar are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Closing Date”	:	(a) 5.00 p.m. on 21 November 2016, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (b) 9.30 p.m. on 21 November 2016, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Company”	:	Cacola Furniture International Limited
“Creditors”	:	The creditors of the Company as set out in section 2.2(i) of the Company’s circular dated 12 July 2016

DEFINITIONS

“Directors”	:	Directors of the Company as at the date of this Offer Information Statement
“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for the excess Rights Shares made through an ATM of one of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Account and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose (a) share certificates are not deposited with CDP, (b) Shares are registered in their own names and (c) registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“Excess Applications”	:	Applications by Entitled Shareholders of the Rights Shares in excess of their provisional allotments of Rights Shares
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company of 709,013,304 Shares (excluding treasury shares) as at the Latest Practicable Date
“Foreign Purchasers”	:	Persons purchasing the Rights through the book-entry (scripless) settlement system whose registered addresses with CDP are outside Singapore
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its Subsidiaries collectively
“Issue Price”	:	S\$0.00475 for each Rights Share
“Latest Practicable Date”	:	28 October 2016, being the latest practicable date prior to the date of lodgement of this Offer Information Statement
“Listing Manual”	:	The Listing Manual issued by the SGX-ST, as may be amended, supplemented or revised from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that (a) all of the Settlement Shares are issued, and (b) all of the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares

DEFINITIONS

“NAV”	:	Net Asset Value
“Offer Information Statement”	:	This offer information statement and, where the context admits, the PAL, the ARE, the ARS and all accompanying documents including any supplementary or replacement document which may be issued by the Company in connection with the Rights Issue
“Participating Banks”	:	(i) United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited; and (ii) DBS Bank Ltd (including POSB), and each of them a “Participating Bank”
“Provisional Allotment Letter” or “PAL”:	:	The provisional allotment letter issued to the Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders in connection with the Rights Issue
“Purchaser”	:	A purchaser of the Rights
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP in order to participate in such dividends, rights, allotments or other distributions.
“Register of Members”	:	Register of members of the Company
“Rights”	:	Rights to subscribe for four (4) Rights Shares for every one (1) Share held by Shareholders as at Book Closure Date
“Rights Issue”	:	The renounceable non-underwritten rights issue by the Company of up to 6,446,991,796 Rights Shares at an issue price of S\$0.00475 for each Rights Share, on the basis of four (4) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Share(s)”	:	Up to 6,446,991,796 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Rights Trading Period”	:	The trading period of the Rights on a “nil-paid” basis
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Securities and Futures Act” or “SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“Settlement Shares”	:	902,734,645 ordinary shares in the capital of the Company issued and allotted to the Creditors
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte Ltd
“Share Transfer Books”	:	The share transfer books of the Company

DEFINITIONS

“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Shares”	:	Ordinary shares in the capital of the Company
“SRS”	:	Supplementary Retirement Scheme
“SRS Account(s)”	:	An account opened by a SRS Member with the relevant approved bank from which money may be used towards, <i>inter alia</i> , payment of the Issue Price for the Rights Shares and/or excess Rights Shares
“SRS Funds”	:	Monies standing to the credit of the SRS accounts of the SRS Members under the SRS
“SRS Member(s)”	:	Members under the SRS
“Subsidiaries”	:	Has the meaning ascribed to it in section 5 of the Companies Act and “Subsidiary” shall be construed accordingly
“Substantial Shareholder”	:	A person who holds directly and/or indirectly 5% or more of the total issued share capital of the Company
“HKD” and “HK cents”	:	Hong Kong Dollars and cents respectively, being the lawful currency of Hong Kong, Special Administration of the People’s Republic of China
“RMB” and “RMB cents”	:	Renminbi and cents respectively, being the lawful currency of the People’s Republic of China
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%” or “per cent.”	:	Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference to the time of day in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other dates(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is reference to that enactment for the time being amended or re-enacted. Any term defined under the Act, the SFA or the Listing Manual or such statutory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning ascribed to it under the Act, SFA, or the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

DEFIINITIONS

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to “we”, “us” and “our” in this Offer Information Statement is a reference to the Group or any member of the Group as the context requires.

PROCEDURE TO COMPLETE THE ARE/ARS

PROCEDURE TO COMPLETE THE ARE / ARS

1. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares
currently held by you

XX,XXX

Shares as at
XX January 2015
(Record Date)

Number of Rights
Shares provisionally
allotted*

XX,XXX

Issue Price

S\$0.0X per Rights Share

This is your
shareholdings as at
Record Date.

This is the date to
determine your
rights entitlements.

This is your number of
rights entitlement.

This is price that
you need to pay
when you subscribe
for one rights share.

2. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. ATM Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by XX September 2015 at 9.30 p.m.
Participating Banks are XXX, XXX and XXX.

2. MAIL Complete section below and submit this form to CDP by XX September at 5.00 p.m.

(i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "CDP-XXXXX RIGHTS ISSUE ACCOUNT" will be accepted

(ii) Applications using a PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER will be **rejected**

(iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the last date
and time to
subscribe for the
rights share through
ATM and CDP.

You can apply your
rights shares
through ATMs of
these participating
banks.

This is the payee
name to be issued
on your Cashier's
Order where
XXXXX is the name

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of participating ATM banks and payee name on the Cashier's Order.

EXPECTED TIMETABLE OF KEY EVENTS

Shares trade ex-Rights :	31 October 2016 from 9.00 a.m.
Books Closure Date :	2 November 2016 at 5.00 p.m.
Despatch of the Offer Information Statement, ARE and PAL (as the case may be) to Entitled Shareholders :	7 November 2016
Commencement of trading of “nil-paid” rights :	7 November 2016 at 9.00 a.m.
Last date and time for splitting and trading of “nil-paid” rights :	15 November 2016 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares :	21 November 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Last date and time for acceptance of and payment for Rights Shares renounces :	21 November 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Last date and time for application and payment for excess Rights Shares :	21 November 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Expected date for issue of Rights Shares :	28 November 2016
Expected date for crediting of Rights Shares :	28 November 2016
Expected date for the listing and commencement of trading of Rights Shares :	29 November 2016 from 9.00 a.m.
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	29 November 2016

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-Rights trading. Based on the above timetable, the Shares are expected to commence ex-Rights trading on 31 October 2016 from 9.00 a.m.

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the SGX-ST and/or CDP, modify the above timetable subject to any limitations under any applicable laws. In such an event, the Company will publicly announce the same through a SGXNET announcement at the SGX-ST’s website <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or PAL, as the case may be, and other accompanying documents at their respective Singapore addresses.

Entitled Depositors who do not receive this Offer Information Statement and the AREs may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or trade on the SGX-ST during the rights trading period prescribed by the SGX-ST and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for additional Rights Shares in excess of their provisional allotments.

All dealings in, and transactions of, the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or effect any change in address must reach CDP not later than three (3) Market Days before the Books Closure Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or effect any change in address must reach Cacola Furniture International Limited, c/o Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than three (3) Market Days before the Books Closure Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the Rights. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the twelfth (12th) Market Day from the date of lodgement of the share certificates with CDP or such later date subject to the completion of the lodgement process.

The Rights Shares which are not otherwise taken up or allotted for any reason shall be used to satisfy applications for excess Rights Shares (if any) as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and that Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

The Company will not make any allotment and issue of Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and the application for excess Rights Shares, including the different modes of acceptances or application and payment, are contained in **Appendices A, B and C** of this Offer Information Statement and in the PAL, the ARE and the ARS.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

2. Foreign Shareholders

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotment of the Rights Shares through the book- entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the “**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him. The Company further reserves the right to reject any acceptances of the Rights Shares and/or any application for excess Rights Shares where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence.

Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX- ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in respect of such sales or proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be used to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other legal requirements in those territories.

This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.

TRADING

Upon listing and quotation on the SGX-ST, the Rights Shares, when issued, will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept and (if applicable) apply for Rights Shares should open Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP will be issued physical certificates for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Physical certificates, if issued, will be forwarded to them by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be prima facie evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from the address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical Share certificate(s), or an Entitled Scripholder who has not deposited his Share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit with CDP the respective certificates, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

Shareholders should note that most counters on the SGX-ST trade in lot sizes of 100 shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the SGX-ST should note that the Unit Share Market of the SGX-ST has been set up to allow trading of odd lots.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, business strategy, plans and future prospects of the Group’s industry are forward looking statements. These forward-looking statements, including statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual, future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements.

The Group’s actual results may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be discussed in those statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, the Company may lodge a supplementary or replacement document with the Authority, in the event, *inter alia*, it becomes aware of a new circumstance that has arisen since the lodgement of this Offer Information Statement with the Authority that is materially adverse from the point of view of an investor. The Company is also subject to the provisions of the SGX-ST’s Listing Manual regarding corporate disclosure.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of public companies including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30% to 50% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1% in the Company in any 6-month period, must extend a take-over offer for the remaining Shares in the Company in accordance with the provisions of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue or the acceptance of the provisional allotment of Rights Shares or the application for excess Rights Shares, should consult the Securities Industry Council and/or their professional advisers.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its pro-rata Rights Shares entitlement) to avoid placing the relevant Substantial Shareholder in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully.

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PART II – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.
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Directors	Address
Chow Tat Ming Henry (Executive Director and Chairman)	: Changlang Avenue, Changping Town, Dongguan City, Guangdong Province China 523577
Zhou Min Zong (Executive Director and Chief Executive Officer)	: Shangfu No.10, Su Keng Village, Changping Town, Dongguan City, Guangdong Province, China
Yeo Kan Yen Alvin (Executive Director and Vice Chairman)	: Changlang Avenue, Changping Town, Dongguan City, Guangdong Province China
Lau Kay Heng (Independent Director)	: 4 Shenton Way #07-03 SGX Centre 2 Singapore
Tan Kay Hock (Independent Director)	: 115 Sunset Way, #02-01, Clementi Park Condominium, Singapore 597149
Fan Cheuk Siu (Independent Director)	: Room 201, 2F Winning Centre, 29 Tai Yau St, San Po Kong, Kowloon Hong Kong

Advisers

2. Provide the names and addresses of:
- (a) the issue manager to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal adviser for or in relation to the offer, if any.
-

Manager to the Rights Issue	: Not applicable
Underwriter to the Rights Issue	: Not applicable
Legal Adviser to the Company in relation to the Rights Issue	: Elitaire Law LLP 20 Cross Street #02-01/02 China Square Central Singapore 048422

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.
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Share Registrar and Share Transfer Office	: Boardroom Corporate & Advisory Services Pte Ltd 50 Raffles Place #32-00 Singapore Land Tower Singapore 048623
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**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
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PART III – OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of securities being offered.

Method of Offer	:	Renounceable non-underwritten rights issue of Rights Shares
Basis of Allotment	:	Four (4) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Number of Rights Shares	:	Up to 6,446,991,796 Rights Shares

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –
- (a) the offer procedure; and
- (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
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Noted. Please refer to paragraphs 3 to 7 of this Part III.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.
-

Please refer to the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and the application for excess Rights Shares, including the different modes of acceptances or application and payment, are contained in **Appendices A, B and C** of this Offer Information Statement and in the PAL, the ARE and the ARS.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may upon consultation with its advisers and with the approval of the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In such event, the Company will publicly announce any modification through an SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>.

4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.
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The Rights Shares are payable in full upon acceptance and/or application. Details of the methods of payment for the Rights Shares are contained in **Appendices A, B and C** to this Offer Information Statement and in the PAL, the ARE and the ARS.

Please refer to the section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, excess Rights Shares.

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5. State, where applicable, the methods of and time limits for –

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and
- (b) the book-entry transfers of securities being offered in favour of subscribers or purchasers.

The Rights Shares will be provisionally allotted to the Entitled Shareholders on or about 4 November 2016 by crediting the provisional allotments into the Securities Accounts of the respective Entitled Depositors or through the despatch of the relevant PALs to the Entitled Scripholders, based on their respective shareholdings in the Company as at the Books Closure Date.

In the case of Entitled Scripholders and their renounees with valid acceptances and successful applications of excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL and share certificate(s) representing such number of Rights Shares will be sent to such Entitled Shareholders by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date .

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form(s) comprised in the PAL) with valid acceptances and successful applications for excess Rights Shares and share certificate(s) representing such number of Rights Shares will be sent to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers, at their own risk, within fourteen (14) days, a notification letter stating the number of Rights Shares credited to their Securities Accounts.

Please refer to **Appendices A, B and C** to this Offer Information Statement and the PAL, the ARE and the ARS for further details.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable. No pre-emptive rights have been offered.

7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

Results of the Rights Issue

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares, as soon as it is practicable after the Closing Date through a SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>.

Manner of Refund

In the case of applications for excess Rights Shares, if a Shareholder applies for excess Rights Shares but no excess Rights Shares are allotted to that Shareholder, or if the number of excess Rights Shares allotted to that Shareholder is less than the number applied for, the amount paid on application, or the surplus application monies, as the case may be, will be refunded to the relevant Shareholder by CDP on behalf of the Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

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- (a) where the acceptance and/or application had been made through Electronic Applications through an ATM, by crediting the relevant Shareholder's bank account with the relevant Participating Bank at the Shareholder's own risk, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder;
- (b) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque drawn in Singapore currency on a bank in Singapore and sent by ordinary post at the Shareholder's risk to the Shareholder's mailing address as recorded with the Share Registrar; and/or
- (c) where the acceptance and/or application had been made through CDP, by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at the relevant Shareholder's own risk to the Shareholder's mailing address as maintained with CDP or in such other manner as the relevant Shareholder may have agreed with CDP for the payment of any cash distributions, as the case may be.

The details of refunding excess amounts paid by applicants are contained in **Appendices A, B and C** of this Offer Information Statement and in the PAL, the ARE and the ARS.

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PART IV – KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Noted. Please refer to paragraphs 2 to 7 of this Part IV.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

Please refer to paragraph 3 of this Part IV.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses.

Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.

The Company recorded pre-tax losses for FY2014 and FY2015. The net proceeds from the Rights Issue will be used towards expenses and fees, general working capital and funding acquisitions. The Rights Issue will also provide the Shareholders with an opportunity to further participate in the equity of the Company.

The Rights Issue is not underwritten after taking into consideration the current market conditions for fund raising, the cost of engaging an underwriter and having to pay commission in relation to the underwriting. Hence, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

Notwithstanding that the Rights Issue is not underwritten, the Directors are of the opinion that, after taking into consideration the internal resources and operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements. Hence, there is no minimum amount which must be raised.

The Maximum Subscription Scenario is based on the Existing Share Capital and assuming that (a) the Settlement Shares are allotted and issued to the Creditors; and (b) all of the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares, and this will raise approximately S\$30,623,211. The net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$200,000, will amount to approximately S\$30,423,211 (the “**Net Proceeds**”).

The table below set out the proposed utilisation of the above proceeds by the Company, based on the Maximum Subscription Scenario :

Use of Proceeds	Amount	Percentage of Gross Proceeds
Expenses and fees	S\$200,000	0.65%
General working capital	S\$3,062,321.10	10.00%
Funding acquisitions (which would include the expenses for all acquisitions including	S\$27,360,889.90	89.35%

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any very substantial acquisition or reverse takeover)		
Total	S\$30,623,211	100.00%

Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with authorised banks or financial institutions as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements and subsequently provide a status report in the Company's half and full year financial statements issued under the Listing Manual and the Company's annual report on the utilisation of the proceeds of the Rights Issue, as and when the funds from the Rights Issue are materially disbursed or utilised. 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 and in the status reports.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

Based on the intended use of the proceeds as described in paragraph 3 above, for each dollar of the gross proceeds from the Rights Issue, the estimated amount that will be allocated for the intended uses and to pay for costs and expenses incurred in relation to the Rights Issue are as follows:

For each dollar of gross proceeds raised	Maximum Subscription Scenario
To fund proposed acquisitions	S\$0.8935
Working capital purposes	S\$0.10
Costs and expenses incurred in relation to the Rights Issue	S\$0.0065

5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.

As stated in paragraphs 3 and 4 above, it is intended that the net proceeds raised from the Rights Issue will be used to fund the Company's proposed acquisitions.

The Company is in discussion with certain targets in the similar industry as the Group for acquisition and for acquisitions which may result in a very substantial acquisition or reverse takeover but the discussions are not conclusive at the moment.

6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.

Please refer to paragraph 5 of this Part IV.

7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

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Not applicable.

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Not applicable.

Information on the Relevant Entity

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office)

Registered address : Cricket Square
Hutchins Drive PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business : Changlang Avenue, Changping Town, Dongguan City
Guangdong Province, China 523577
Fax no. +86 0769 8333 645
Tel no. + 86 0769 8339 8728

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- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group

The Company was incorporated in the Cayman Islands on 5 January 2007 (Company Registration Number 179492).

The Group manufactures and sells three (3) main products as follows : (i) the Group manufactures fabric and leather sofas which come in full fabric, full and half leather and the Group also creates designs for its fabric sofas; (ii) the Group manufactures an extensive range of panel furniture products for home and office which include : (a) display cabinets, shelves, tables, chairs for the living room; (b) beds, chest of drawers, wardrobes, nightstands, armories and children's furniture for the bedroom; (c) dining tables, chairs, sideboards, cabinets for the dining room; and (iv) writing desks, bookcases, computer units for office; and (iii) mattresses.

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- (c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –

- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or

- (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published

The general development of the business of the Group in the three (3) most recent completed financial years up to the Latest Practicable Date is set out below. Shareholders are advised to refer to the related announcements released by the Company via SGXNET for further details.

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FY2013

(a) Memorandum of Understanding relating to the Guizhou and Yellow Dragon Goldmine

On 4 June 2013, the Company announced that it had entered into 2 separate memorandum of understandings for (i) the proposed acquisition of the entire issued and paid-up share capital of Gold Depot Investments Limited which has an indirect interest in a gold mine located at Jingping County, Guizhou Province, People's Republic of China ("**Guizhou Goldmine**") from Gold Tycoon Limited ("**Proposed Guizhou Goldmine Acquisition**"); and (ii) the proposed acquisition of the entire issued and paid-up share capital of Shanxi Han Yin Huanglong Gold Ltd which has an indirect interest in a goldmine located at Yellow Dragon Village, Long Ya Town, Hanyin County, Shanxi Province, People's Republic of China ("**Yellow Dragon Goldmine**") from a wholly foreign-owned enterprise to be incorporated ("**Proposed Yellow Dragon Goldmine Acquisition**").

The consideration for the Proposed Guizhou Goldmine Acquisition was S\$250,000,000 to be satisfied by S\$40,000,000 in cash and the allotment of new Shares worth S\$210,000,000 at the issue price of 10% discount of the weighted average prices of trades done on the date that the definitive agreement was signed.

The consideration for the Proposed Yellow Dragon Goldmine Acquisition was S\$130,000,000 to be satisfied by S\$20,000,000 in cash and the allotment of new Shares worth S\$110,000,000 at the issue price S\$0.03 per new Share.

The conditions precedent included (i) the obtaining of the approval of the SGX-ST and the Shareholders; (ii) satisfactory due diligence; (iii) reports on the Guizhou Gold Mine and the Yellow Dragon Goldmine which comply with the requirements of the Listing Manual; and (iv) for the Proposed Yellow Dragon Goldmine Acquisition, the approval of the relevant authorities of the People's Republic of China.

On 28 June 2013, the Company announced that the long-stop date for execution of the definitive agreement for the Proposed Guizhou Goldmine Acquisition was extended to 31 July 2013 and in the event that the definitive agreement was not entered into by the said date the memorandum of understanding would be terminated. The Company further announced that the long-stop date for execution of the definitive agreement for the Yellow Dragon Goldmine Acquisition was 30 June 2013 and hence the memorandum of understanding for the Proposed Yellow Dragon Goldmine Acquisition was terminated on 30 June 2013.

On 31 July 2013, the Company announced that it was still negotiating the definitive agreement for the Proposed Guizhou Goldmine Acquisition and would update Shareholders where there are any material developments.

(b) Convertible Loan Agreement

On 4 June 2013, the Company announced that it had entered into a loan agreement with Soliel Capital Limited, Heng Da Resources Pte Ltd, Challenger Portfolio Asset Management Limited and Lau Eng Foo pursuant to which the said lenders agreed to extend a loan in the aggregate amount of up to S\$1,100,000 to the Company. The Company used the loan to fund expenses in connection with the exploration of new investment opportunities and related corporate activities and working capital.

The loan could be repaid in cash or by issuance of new Shares at a conversion price of the lower of (i) S\$0.0317 and (ii) 90% of the weighted average price for trades done on the close of the trading of Shares on the repayment date or date on which any lender requested for repayment of its portion of the loan.

The interest payable on the loan was at the rate of 10% per 6-month period and default interest rate was 2% per month in addition to the said interest.

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The Company announced on 8 October 2013 that it had obtained the approval-in-principle for the listing and quotation of 36,348,579 new Shares pursuant to the conversion of the loan and the Company announced on 18 October 2013 the completion of the allotment and issuance of the said new Shares.

(c) Placement Agreement

On 24 September 2013, the Company announced that it had entered into (i) a placement agreement with Advance Opportunities Fund 17 April 2012 for the issuance of up to 19,585,455 new Shares at an issue price of S\$0.03213 per new Share; and (ii) settlement agreements in respect of amounts owing, with (a) Siu Ka Chin by the issuance of 3,380,531 New Shares at the issue price of S\$0.03213 per new Share; (b) MN Corporate Services Limited by the issuance of 3,829,806 new Shares to the issue price of S\$0.03213 per new Share; and (c) Stamford Law Corporation by the issuance of 9,855,629 new Shares at the issue price of S\$0.03212 per new Share.

The Company announced on 8 October 2013 that it had obtained the approval-in-principle for the listing and quotation of all the new Shares pursuant to the placement agreement and settlement agreements and the Company announced on 18 October 2013 the completion of the allotment and issuance of the said new Shares.

(d) Memorandum of Understanding relating to the Hubei Goldmine

On 29 October 2013, the Company announced that it had entered into a memorandum of understanding with the shareholders of Yunxi XingQiang Gold Ltd in relation to the proposed acquisition of 51% of Yunxi XingQiang Gold Ltd ("**Proposed Hubei Goldmine Acquisition**"). The Company would use best endeavours to negotiate a definitive agreement by 30 December 2013. Yunxi XingQiang Gold Ltd owns the goldmine located in Shiyan City, Yunxi County, Hubei Province, the People's Republic of China ("**Hubei Goldmine**").

The consideration for the Proposed Hubei Goldmine Acquisition was RMB71.4 million in cash payable in separate instalments.

The conditions precedent included (i) the obtaining of the approval of the SGX-ST and the Shareholders; (ii) satisfactory due diligence; (iii) reports on the Hubei Gold Mine which comply with the requirements of the Listing Manual; and (iv) the approval of the relevant authorities of the People's Republic of China.

(e) Equity linked redeemable structured convertible notes

On 6 December 2013, the Company announced that it had on 6 December 2013 entered into a conditional subscription agreement (the "**Subscription Agreement**") with Advance Opportunities Fund ("**AOF**") and Advance Capital Partners Limited pursuant to which the Company proposes to issue to AOF 2.0% equity linked redeemable structured convertible notes due 2016 ("**Notes**") with an aggregate principal amount of up to S\$60,000,000 (the "**Proposed Equity Linked Issue**").

The Notes are divided into three equal tranches of a principal amount of S\$20,000,000 each (individually, the three tranches of the Notes shall be referred to as "**Tranche 1 Notes**", "**Tranche 2 Notes**" and "**Tranche 3 Notes**" respectively). Tranche 1 Notes shall comprise a further 40 equal sub-tranches of S\$500,000 each, Tranche 2 Notes shall comprise a further 25 equal sub-tranches of S\$800,000 each, and Tranche 3 Notes shall comprise a further 20 equal sub-tranches of S\$1,000,000 each. The Notes shall entitle the holder thereof to 2.0% interest per annum, and, on the terms and conditions below, be convertible into new Shares (the new Shares arising from such conversion, the "**Conversion Shares**") which are listed on the Main Board of the SGX-ST. Up to a maximum 1,200 Notes, each of a denomination of S\$50,000 may be issued pursuant to the Subscription Agreement.

The proceeds from the Notes were to be used for to fund expenses in connection with the exploration of new investment opportunities and related corporate activities and working capital.

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The Notes are issued, offered and sold by the Company in reliance of Section 272B of the SFA without any accompanying prospectus or Information Memorandum registered with the Authority.

The Subscriber will subscribe for:

(a) the first sub-tranche of Tranche 1 Notes at 100% of the principal amount of the Notes, on the fifth (5th) business day immediately after the last of the conditions precedent set out in the Subscription Agreement are fulfilled or such other date as the parties may agree in writing; and

(b) in respect of each of the subsequent sub-tranches of Tranche 1 Notes, on the fifth (5th) business day after the conversion date of the last of the Notes comprised in the immediately preceding sub-tranche of Tranche 1 Notes where the holder thereof elects to exercise such conversion right.

Save for the Tranche 1 Notes, the Company has the sole discretion not to proceed with the issue of subsequent tranches of Notes by electing not to exercise the option granted by the Subscriber to the Company (subject to the terms and conditions of the Subscription Agreement) in respect of each of the Tranche 2 Notes and the Tranche 3 Notes to require the Subscriber to subscribe for such Notes.

The Notes which are not redeemed or purchased, converted or cancelled by the Company will be converted by the Company in accordance with the Conversion Price (as defined below) on the date falling 36 months from the Closing of the first sub-tranche of Tranche 1 Notes (the "**Maturity Date**").

In the event the Conversion Price is less than or equal to 65% of the average Closing Price per Share for the forty five (45) business days period immediately preceding the relevant 4 Closing Dates, the Company may redeem the Notes presented for conversion by the Subscriber in cash at the Redemption Amount (as defined below).

The Redemption Amount is calculated in accordance with the following formula:

$$N \times \{P + 8\% \times P \times (D/365) + I\}$$

where:

"D" is the amount of days elapsed since the relevant Closing Dates; "N" is the amount of Notes presented for conversion; "P" is the face value of the Notes presented for conversion; and "I" is the remaining unpaid interest accrued on the Notes presented for conversion.

Subject to and upon compliance with the relevant conditions under the Subscription Agreement, any Note may be converted into duly authorised, validly issued, fully-paid and unencumbered Shares, at the option of the holder thereof, at any time, from and including the respective dates on which they are issued and registered in accordance with the Subscription Agreement up to the close of business on the day falling one week prior to the Maturity Date.

The Conversion Price shall be, at the option of the Subscriber, either of the following:

(a) 135% of the average of the traded volume weighted average prices per Share for the 45 business days on which Shares were traded on the SGX-ST, immediately preceding: (i) in respect of Tranche 1 Notes, the date of the Subscription Agreement; (ii) in respect of Tranche 2 Notes, the Closing Date of the first sub-tranche of Tranche 2 Notes as set out in the Subscription Agreement; and (iii) in respect of Tranche 3 Notes, the Closing Date of the first sub-tranche of Tranche 3 Notes as set out in the Subscription Agreement, subject to adjustment in the manner provided in the Subscription Agreement ("**Fixed Conversion Price**"); or

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(b) 80% of the average Closing Price per Share on any three consecutive business days on which Shares were traded on the SGX-ST as selected by the relevant Noteholder during the 45 business days immediately preceding the relevant conversion date of the Notes on which Shares were traded on the SGX-ST (“**Floating Conversion Price**”).

FY2014

(a) Initial capital reorganisation

On 6 January 2014, the Company announced the proposed capital reorganization by reducing the par value of each Share from HK\$0.10 to HK\$0.05 and thereafter increasing the authorized share capital from HK\$100,000,000 to HK\$200,000,000 (“**Initial Capital Reorganisation**”) through a proposed capital reduction by cancelling the paid-up share capital of the Company to the extent of HK\$0.05 on each Share with an original par value of HK\$0.10 per Share in issue. There would be no change in the total number of issued and paid-up Shares. The rationale of the Initial Capital Reorganisation was to enable the Company to enjoy greater flexibility to issue new Shares in the future for any fund raising or for facilitating any corporate actions which may require the issuance of new Shares. The Initial Capital Reorganisation was conditional upon, *inter alia*, the approval of Shareholders and a court order being made to confirm the proposed capital reduction.

(b) Inclusion on watch-list

On 4 March 2014, the Company announced that it had received notification from the SGX-ST that the Company will be placed on the Watch-List with effect from 5 March 2014.

The Company would be required to meet the requirements of Rule 1314 of the Listing Manual within 24 months from 5 March 2014, failing which the SGX-ST would delist the Company or suspend trading in the Company’s shares with a view to delisting the Company.

(c) Proposed acquisition of the entire issued and paid-up share capital of a company to be incorporated by Sharp Year Ventures Limited

On 10 April 2014, the Company announced that it had on 7 April 2014 entered into a conditional sale and purchase agreement (the “**SYV S&P Agreement**”) with Sharp Year Ventures Limited (“**SYV Limited**”) whereby the Company will be acquiring the entire issued and paid-up share capital of a company to be incorporated by SYV (“**SYV Target**”) prior to completion (the “**SYV Acquisition**”).

Upon completion of a restructuring exercise, the SYV Target would be the holding company of a group which would comprise three business sections, namely (i) livestock breeding, meat processing and related trading business, (ii) tourism (including hotel operations), and (iii) property development (collectively known as “**SYV Businesses**”).

The aggregate consideration (the “**Consideration**”) payable by the Company in relation to the SYV Acquisition would be a maximum aggregate consideration of RMB1.32 billion payable in cash of RMB250 million and RMB1.07 billion by way of an allotment and issuance of new Shares which would amount to approximately 70% of the entire enlarged share capital of the Company.

The SYV Acquisition is subject to, *inter alia*, satisfactory due diligence and shareholders’ approval. The long-stop date for completion of the conditions precedent for the SYV Acquisition is 31 March 2015.

(d) Memorandum of Understanding relating to the Guizhou Goldmine

On 10 April 2014, the Company announced the formal termination of the memorandum of understanding relating to the Guizhou Goldmine.

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(e) **Memorandum of Understanding relating to the Hubei Goldmine**

On 10 April 2014, the Company announced the formal termination of the memorandum of understanding relating to the Hubei Goldmine.

(f) **Repayment of S\$2.2 million unsecured loan**

The Company announced on 21 July 2014 that it had entered, on 16 July 2014, entered into a supplemental settlement agreement (as amended by the further agreement entered into on 18 July 2014) (together, the "**LJN Settlement Agreements**") with Mr Liao Jienan ("**LJN**") with respect to the repayment of a loan of S\$2,200,000 which was granted by LJN to the Company on 1 June 2014. The said loan would be repaid through a cash portion and issuance of 74,117,452 new Shares at an issue price of S\$0.027 per new Share.

On 19 August 2014, the Company announced the completion of the issuance of 74,117,000 new Shares and the loan was deemed repaid in respect of the sum of S\$2,001,159.

(g) **S\$40 million facility agreement, S\$45 million placement agreement and S\$500,000 loan agreement**

The Company announced that it had on 2 October 2014 entered into the following agreements:

(i) a conditional unsecured facility in respect of S\$40 million ("**Facility Agreement**") with Advance Opportunities Fund as the lender ("**AOF**" or the "**Lender**") and **Advance Capital Partners Limited** as the authorised representative and the arranger ("**ACP**" or "**Arranger**");

(ii) a conditional multi-tranche placement agreement ("**Placement Agreement**") with AOF as the subscriber (the "**Subscriber**") to allot and issue new Shares ("**Placement Shares**") for an aggregate amount of up to S\$45 million, and up to a maximum placement limit of 1,951,431,049 Placement Shares; and

(iii) a S\$500,000 term loan agreement with the Lender upon the terms and conditions of such agreement ("**Bridge Loan Agreement**"),

(together, the "**Proposed Transactions**"). The Proposed Transactions comprise part of the fund-raising initiatives by the Company to, *inter alia*, raise money for working capital and general corporate purposes and the proposed acquisitions to be undertaken by the Company. The Proposed Transactions are subject to, *inter alia*, approval of Shareholders, the SGX-ST and a whitewash waiver granted by the Securities Industry Council.

FY2015

(a) **Proposed acquisition of the SYV Target**

On 14 January 2015, the Company announced that it had entered into a supplemental agreement with SYV which agreed, *inter alia*, to fix the consideration payable at RMB1.32 billion, focus the business of the SYV Target to that of livestock breeding, meat processing and related trading business and extend the long-stop date for completion to 31 December 2015.

On 30 September 2015, the Company announced that it had entered into a termination deed on 29 September 2015 with the SYV Target regarding the termination of the SYV S&P Agreement.

(b) **S\$40 million facility agreement, S\$45 million placement agreement and S\$500,000 loan agreement**

On 16 March 2015, the Company announced that the SGX-ST had on 13 March 2015 granted its in-principle approval for the listing and quotation of the Placement Shares and the listing and quotation of up to 22,766,695 new Shares pursuant to the Bridge Loan Agreement.

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Shareholders approved the allotment and issuance of the Placement Shares on 13 April 2015.

The Company allotted and issued 197,858,905 out of the Placement Shares to AOF as settlement of the facilities provided by AOF.

(c) Capital reorganisation

On 20 March 2015, the Company announced the proposed capital reorganization by reducing the par value of each Share from HK\$0.10 to HK\$0.01 and thereafter increasing the authorized share capital from HK\$100,000,000 to HK\$200,000,000 (“**Capital Reorganisation**”) through a proposed capital reduction by cancelling the paid-up share capital of the Company to the extent of HK\$0.09 on each Share with an original par value of HK\$0.10 per Share in issue. There would be no change in the total number of issued and paid-up Shares. The rationale of the Capital Reorganisation was to enable the Company to enjoy greater flexibility to issue new Shares in the future for any fund raising. The Capital Reorganisation was conditional upon, *inter alia*, the approval of Shareholders and a court order being made to confirm the proposed capital reduction.

The Shareholders approved the Capital Reorganisation on 13 April 2015.

(d) Convertible loan of S\$1,000,000

On 14 December 2015, the Company announced that it had on 11 December 2015 entered into a convertible loan agreement with Ge Jian Ming (“**GJM**”) pursuant to which GJM agreed to extend a loan in the aggregate principal amount of S\$1,000,000. The loan is for the purpose of proposed acquisition of businesses and assets and in the event that it is not fully applied towards the said purpose, the remaining proceeds would be used for working capital.

The loan shall bear simple interest on the principal outstanding amount at the rate of 6% per annum and is repayable after five (5) years from date of disbursement of the loan. GJM may at any time when the loan is outstanding convert the whole or any part of the loan into new Shares on terms set out in the loan agreement with GJM.

(e) Memorandum of understanding Armenia Copper Gold Acquisition

The Company announced on 14 December 2015 that it has on 12 December 2015 also entered into a memorandum of understanding with GR Business Holdings Limited, in relation to the proposed acquisition of 100% of Armenia Copper Gold Ltd & Goeur Gold Armenia Ltd by the Company (the “**Proposed Armenia Copper Gold Acquisition**”).

The Company will use its best endeavours to negotiate with the relevant parties in good faith and to sign the definitive agreement in respect of the Proposed Armenia Copper Gold Acquisition on or before 31 January 2016 (or such later date as the parties may agree).

1 January 2016 to the Latest Practicable Date

(a) Inclusion on the watch-list due to the minimum trading price entry criterion

On 2 March 2016, the Company announced that it would be placed on the watch-list due to the minimum trading price criterion with effect from 3 March 2016.

The Company is required to meet the requirements of Rule 1314 of the Listing Manual within 36 months from 3 March 2016, failing which the SGX-ST would delist the Company from the Official List, or suspend trading in the shares of the Company with a view to delisting the Company from the Official List.

(b) Inclusion on watch-list

On 8 March 2016, the Company announced that the SGX-ST had, subject to certain conditions, granted the Company an extension of time to 4 March 2017 to meet the requirements of Rule 1314 of the Listing Manual.

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(c) Settlement Agreement

On 18 April 2016, the Company announced that it had entered into the Settlement Agreement with the Creditors for the allotment and issuance of 902,734,645 Settlement Shares in settlement of the debt of S\$4.062,306 owing to the Creditors. The allotment and issuance of the Settlement Shares is subject to the approval of the SGX-ST and the Shareholders.

On 2 July 2016, the Company announced that it had obtained the in-principle approval of the SGX-ST for the listing and quotation of the Settlement Shares.

On 27 July 2016, the Company announced that the Shareholders had approved the allotment and issuance of the Settlement Shares.

On 25 October 2016, the Company announced the completion of the allotment and issuance of the Settlement Shares.

(d) Memorandum of understanding with BH Investments Ltd

On 18 April 2016, the Company entered into a memorandum of understanding with BH Investments Ltd to acquire all its subsidiaries which comprise three key medical services focused on medical conditions related to ageing. These are (a) medi-aesthetics; (b) medical wellness and specialist services including dental and eye care; and (c) innovative diagnostics for health and wellness screening. The said group will own and operate medi-aesthetics clinics, an eye centre, dental clinics and wellness and specialist clinics.

The estimated purchase consideration payable by the Company for the proposed acquisition is between S\$108 million to S\$180 million to be satisfied by the allotment and issuance of new ordinary shares in the capital of the Company at a price of 10% discount to the weighted volume average price for trades done for the last 10 days preceding the date of the signed definitive agreement. The Company and BH Investments Ltd would use best endeavours to negotiate and sign a definitive agreement within 60 days from 18 April 2016.

The Company announced on 17 June 2016 that the Company and BH Investments Ltd agreed to extend the time to sign the definitive agreement to 31 July 2016.

(e) Memorandum of understanding Armenia Copper Gold Acquisition

On 18 April 2016, the Company announced that the memorandum of understanding relating to the Proposed Armenia Copper Gold Acquisition had lapsed as no definitive agreement was entered into.

(f) Business Update

On 22 September 2016, the Company announced a business update that it had decided to : (i) broaden the range and enhance the quality of its products by a partner scheme with reputable operators in the furniture industry; (ii) expand the distribution network in China and to develop markets in other South East Asian countries, South Korea and Australia; (iii) streamline the existing operation by way of consolidation with profitable operators with proven and stable track records with good returns; and (iv) to explore vertical integration for business opportunity for the Company.

(g) Capital Reorganisation

On 14 October 2016, the Company announced the completion of the Capital Reorganisation.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

(i) in the case of the equity capital, the issued capital; or

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- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon

As at the Latest Practicable Date, the Company's equity capital and loan capital are as follows:

Issued and paid-up share capital	:	HKD7,090,133.04 divided into 709,013,304 Shares (the Company has no treasury shares)
Loan capital	:	Not applicable.

- (e) where:

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date

As at the Latest Practicable Date, based on the information in the Register of Substantial Shareholders maintained by the Company, the Substantial Shareholders of the Company and the number of Shares in which they have an interest are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Substantial Shareholders				
Rainbow Champion Limited ⁽²⁾	-	-	95,625,500	13.49
Wang Shi Bo ⁽³⁾	-	-	95,625,500	13.49
Wang Yen Fei ⁽³⁾	-	-	95,625,500	13.49
Huang Jingkun	72,230,879	10.79	-	-

Notes:

- (1) The percentage shareholding interest is based on the Existing Share Capital.
- (2) Rainbow Champion Limited is deemed interested in the 95,625,00 Shares held by UOB Kay Hian Pte Ltd.
- (3) Wang Shi Bo and Wang Yen Fei are deemed interested in all the Shares which Rainbow Champion Limited has a deemed interest by virtue of their shareholding in Rainbow Champion Limited.

- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group

As at the date of this Offer Information Statement, the Directors are not aware that the Company or any of its subsidiaries is engaged in any legal or arbitration proceedings (including those which are pending or known to be contemplated) which may have, or which have had in the twelve (12) months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

- (g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –

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- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or
 - (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests
-

During the period of 12 months immediately preceding the Latest Practicable Date, the Company has allotted and issued 197,858,905 new Shares at S\$0.017 per Share Advance Opportunities Fund as settlement of the facilities provided by Advance Opportunities Fund.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.
-

Save as disclosed below, neither the Company nor any of its subsidiaries has entered into any material contract (not being a contract entered into the ordinary course of business) during the period of two (2) years immediately preceding the date of lodgement of this Offer Information Statement:-

- (a) conditional unsecured facility agreement entered into with Advance Opportunities Fund as the lender and Advance Capital Partners Limited as the authorised representative and arranger and the Company on 2 October 2014;
- (b) conditional multi-tranche placement agreement entered into between Advance Opportunities Fund as the subscriber for new Shares and the Company on 2 October 2014;
- (c) term loan agreement entered into between Advance Opportunities Fund as the lender and the Company on 2 October 2014;
- (d) loan agreement entered into between Mr Liao Jienan and the Company on 1 June 2014 and a supplemental settlement agreement entered into on 16 July 2014 which was further amended by an agreement dated 18 July 2014; and
- (e) the Settlement Agreement entered into between the Company and the Creditors on 17 April 2016 for issuance of the Settlement Shares at S\$0.0045 per Settlement Share in settlement of the debt owed by the Company to the Creditors.

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PART V – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from–

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

The audited consolidated income statements of the Group for FY2013, FY2014 and FY2015 are set out below:

	FY2013 RMB'000	FY2014 RMB'000	FY2015 RMB'000
Revenue	36,227	24,718	64,906
Cost of sales	(35,099)	(22,297)	(53,257)
Gross profit/(loss)	1,128	2,421	11,649
Other income	1,083	509	849
Selling and distribution expenses	(20,168)	(7,638)	(2,009)
Administrative expenses	(33,407)	(25,820)	(5,942)
Other expenses/write-off of non-recurring prepaid expenses and impairment losses	(10,354)	(45,830)	(6,263)
Finance costs	(396)	(490)	(18)
Loss before tax	(62,114)	(76,848)	(1,734)
Taxation	-	-	-
Loss for the year attributable to equity holders of the Company	(62,114)	(76,848)	(1,734)
Other comprehensive income	2,528	(480)	(109)
Total comprehensive income for the year attributable to equity holders of the Company	(59,586)	(77,328)	(1,843)
Weighted average number of Shares in issue during the respective financial years	379,958,000	463,638,000	587,480,000

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Gross dividend per Share	-	-	-
Loss per Share (RMB cents)	16.35	16.58	0.30
Weighted average number of Shares after all the Settlement Shares are issued	382,431,000	466,111,000	589,953,000
Loss per Share after the issue of the Settlement Shares (RMB Cents)	16.24	16.49	0.29
Weighted average number of Shares assuming all the Rights Shares are issued	400,094,000	483,774,000	607,616,000
Loss per Share after the Rights Issue and the issue of the Settlement Shares (RMB Cents)	15.52	15.89	0.29

The unaudited interim income statement of the Group as at 30 June 2016 is as follows :

	Past 6 months ending 30 June 2016 RMB'000
Revenue	32,875
Cost of sales	(26,817)
Gross profit	6,058
Other income	1,315
Selling and distribution expenses	(700)
Administrative expenses	(2,909)
Other expenses/write-off of non-recurring prepaid expenses and impairment losses	(501)
Finance costs	-
Profit before tax	3,263
Taxation	-
Profit for the period attributable to equity holders of the Company	3,263
Other comprehensive income	1,079
Total comprehensive income for the period attributable to equity holders of the Company	4,342
Weighted average number of Shares in issue during the respective financial period	709,013,304
Gross dividend per Share	-
Profit per Share (RMB cents)	0.46
Weighted average number of Shares after all the Settlement Shares are issued	711,486,000
Profit per Share after the issue of the Settlement Shares (RMB Cents)	0.46

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Weighted average number of Shares assuming all the Rights Shares are issued	729,149,000
Profit per Share after the Rights Issue and the issue of the Settlement Shares (RMB Cents)	0.45

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

Noted. Please see paragraph 1 of this Part V.

3. In respect of –

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected profit or loss before tax of the Group. A summary of the operations, business and financial performance of the Group for FY2013, FY2014 and FY2015 is set out below:

FY2013 vs FY2012

For FY2013, the Group recorded a decrease in sales of panel furniture, sofa and mattress. The total revenue declined by RMB 83.7 million or 69.8% from RMB 119.9 million in FY2012 to RMB 36.2 million in FY2013.

The revenue decline was mainly attributed to (i) the decrease in sales orders from existing specialty stores either operated by our distributors or by third party retailers under license from our distributors, (ii) the closure of old specialty stores and (iii) the decrease in sales from our own CACOLA mega store in Dongguan City.

The Chinese Government measures to dampen the robust residential property market and rein in bank loans under a tightened credit policy also had a ripple effect on our business. The costs of major raw materials for furniture production included MDF boards, fabric, foam and metal hardware, remained at high level during the year, resulting in further deterioration in the Group's gross profit margin in FY2012 and FY2013.

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Expenses

Operating expenses comprised (i) selling and distribution expenses and (ii) administrative expenses, included advertising expenses, staff costs, depreciation, rental and commission paid to sales and marketing staff, entertainment, telephone expenses, motor vehicle expenses and travelling expenses. Non-operating expenses comprised impairment losses on property, plant and equipment and trade receivables.

The overall expenses level decreased to RMB 64.3 million in FY2013, representing a drop of RMB 37.3 million or 36.7% from RMB 101.6 million in FY2012. There are no impairment losses recorded in FY2013 (FY2012: RMB42.7 million).

FY2014 vs FY2013

FY2014, the Group recorded a significant decrease in sales of panel furniture, sofa and mattress. Total revenue declined by RMB11.5 million or 31.8% from RMB36.2 million for FY2013 to RMB24.7 million for FY2014. The decline in total revenue was mainly attributable to the decrease in the sales of mattresses by approximately RMB1.0 million, sofa by RMB4.0 million and panel furniture by RMB7.2 million. Panel Furniture remained the biggest product type, comprising 64% of total revenue.

Geographically, revenue from both the market of the People's Republic of China and export market suffered a drastic drop with a revenue fall of 38% and 65% respectively. Revenue decline in the People's Republic of China market was mainly attributed to (i) the decrease in sales orders from existing specialty stores either operated by distributors or by third party retailers under license from such distributors, (ii) the closure of old specialty stores and (iii) the decrease in sales from the Group's CACOLA mega store in Dongguan City.

The major raw materials used for furniture production included MDF boards, fabric, foam and metal hardware. During FY2014, the Group faced rising costs in major raw materials charged by suppliers, resulting in further deterioration in the gross profit margin.

FY2015 vs FY2014

The Group recorded stronger results for FY2015, thus, an operating profit of RMB4.5 million before write-off of non-recurring prepaid expenses. The total revenue grew by 163% to RMB65 million marking a return to the strong demand for furniture products as experienced prior to the tightened credit policy introduced by the Chinese government for the property market. The relaxing of credit policies during the second half of the financial year helped spur sales order growth and boosted better utilization rates for the Group's factory.

The Group also enjoyed a stronger profit margin of over 18% for the year under review. The Company believes this is attributable to multiple factors such as the improvements in designs which lead to more efficient use of materials. The Group also enjoyed supplier's discounts on raw material. Major raw materials used for the furniture production included MDF boards, fabric, foam and metal hardware. Lastly, the property, plant and equipment have been fully impaired in FY2014, thus, no depreciation expenses charged in FY2015.

In the standpoint of product segments, the Group continues to see the strongest contribution from the Panel Furniture segment which contributed 65% to total revenue. The sofa segment contributed 30% while Mattresses made up the remaining 5% of revenue.

The Group's operating expenses also scaled down as the Group has been actively monitoring and managing its expenditure and taking various steps to better control costs. For the year under review the Group had no impairment losses on property, plant and equipment, trade receivables and deposits as compared to the RMB45.8 million in FY2014. To better cope with the challenging situation of the Company's financial and cash flow positions, the executive board members had consented to waive their remuneration and allowances for FY2015. As mentioned above, due to property, plant and equipment having been fully impaired in FY2014, there were no depreciation expenses in FY2015. Other benefits include a decrease in audit fee and a write-back for the over provision of professional fees, salary and allowances accrued in previous financial years.

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1Q FY2015 vs 1Q FY2016

For the 1Q2016, our total revenue increased by 179% compared to 1Q2015, back to normal level before the tightened credit policy introduced by Chinese Government for property market. The policy

has been relaxed from the 2nd half of FY2015, as a result, our sales orders have been recovered and better utilisation rate of our factory has been revealed.

The Group's overall gross profit margin has also been increased from 1Q2015 10.7% to 1Q2016 14.8% due to:

- i) valued added design provided to customers
- ii) property, plant and equipment have been fully written off in FY2014, thus, no depreciation expenses were charged/capitalised subsequently

The major raw materials used for furniture production included MDF boards, fabric, foam and metal hardware.

Operating expenses comprise (i) selling and distribution expenses and (ii) administrative and (iii) other operating expenses. Operating expenses decreased from RMB 3.0 million in 1Q2015 to RMB 1.2 million in 1Q2016, due to the tight control on the Group's expenditure and below measures, and

- iii) In view of the Company's financial and cashflow positions, the senior management including current executive board members of the Company had consented to waive their remuneration and allowances.
- iv) Property, plant and equipment have been fully written off in FY2014, thus, no depreciation expenses were charged/capitalised subsequently

Non-Recurring Exceptional Items

Non-recurring exceptional items represented non-operating expenditure (i.e. M&A related due diligence and travelling costs and etc.). In the opinion of the board of directors, these expenditures are non-recurring non-operating in nature, thus, included in the line item of "non-recurring exceptional items" presented in the income statement of the Company for the period ended 31 March 2016, for presentation purpose.

Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of–

- (a) the most recent completed financial year for which audited financial statements have been published; or**
- (b) if interim financial statements have been published for any subsequent period, that period.**

The unaudited interim consolidated balance sheet of the Group as at 30 June 2016 and audited consolidated balance sheet of the Group as at 31 December 2015 are set out below:

Group	
30 June 2016	31 December 2015
RMB'000	RMB'000
Unaudited	Audited

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ASSETS AND LIABILITIES

Non-current assets

Property, plant and equipment	67	67
Investments in subsidiaries	-	-
	<u>67</u>	<u>67</u>

Current assets

Inventories	33,525	25,949
Trade and other receivables	12,319	11,070
Cash and bank balances	<u>2,072</u>	<u>4,794</u>
	<u>47,916</u>	<u>41,813</u>

Current liabilities

Trade and other payables and accruals	<u>30,591</u>	<u>29,610</u>
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Net current assets/(liabilities)

	<u>17,325</u>	<u>12,203</u>
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Non-current liabilities

Deferred tax liability	227	227
Other financial liability	<u>3,275</u>	<u>3,275</u>
	<u>3,502</u>	<u>3,502</u>

Net assets/(liabilities)

	<u><u>13,890</u></u>	<u><u>8,768</u></u>
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EQUITY

Equity attributable to Company's owners

Share capital	62,685	62,685
Reserves	<u>(48,795)</u>	<u>(53,917)</u>
Total equity/(Capital deficiency)	<u><u>13,890</u></u>	<u><u>8,768</u></u>

**As at
30 June 2016**

As at balance sheet date

NAV attributable to Shareholders (RMB'000)	13,890
Number of Shares ('000)	709,013
NAV per Share (RMB cents)	1.96

Adjustments to number of shares

Settlement share ('000)	902,734
Rights Issue ('000) (maximum subscription scenario)	6,446,992

Adjusted number of shares

8,058,739

NAV attributable to Shareholders (RMB'000)	13,890
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Adjustments:

Net proceeds from the Rights Issue (RMB'000)	151,034
Settlement share for creditor (RMB'000)	20,035

Adjusted NAV attributable to Shareholders (RMB'000)

184,959

Adjusted NAV per Share (RMB cents)

2.30

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5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

Noted. Please see paragraph 4 of this Part V.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of—
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated cash flow statements of the Group for FY2015 are set out below:

	FY2015 RMB'000
Cash flows from operating activities	
Loss before taxation	(1,734)
Adjustments for:	
Depreciation of property, plant and equipment	8
Impairment losses on prepayments	-
Impairment losses on property, plant and equipment	-
Impairment losses on trade receivables	-
Interest expense	18
Interest income	(37)
Inventories/prepaid expenses written off	6,263
Reversal of impairment losses on trade receivables	-
Operating (loss)/profit before working capital changes	<u>4,518</u>
Changes in inventories	(6,611)
Changes in trade and other receivables	(5,801)
Changes in prepayments	(3,200)
Changes in trade and other payables	<u>4,868</u>
Cash used in operations	<u>(6,226)</u>
Income tax paid	-
Net cash used in operating activities	<u>(6,226)</u>
Cash flows from investing activities	
Purchase of property plant and equipment	-
Interest received	37
Net cash (used in)/generated from investing activities	<u>37</u>
Cash flows from financing activities	
Interest paid	-
Proceeds from issue of convertible loan	4,610
Proceeds from issue of shares	8,158
Proceeds from issue of loan	-
Repayment of loan	<u>(3,949)</u>
Net cash generated from financing activities	<u>8,846</u>
Net (decrease)/increase in cash and bank balances	2,657

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Cash and bank balances at the beginning of the year	2,157
Exchange differences	<u>20</u>
Cash and bank balances at end of year	<u>4,794</u>

A review of the cash flow position for the Group for FY2015 is set out below:

During FY2015, cash and bank balances increased by RMB2.7 million from RMB2.1 million as at 31 December 2014 to RMB4.7 million as at 31 December 2015.

Net Cash used in Operating Activities

The Group recorded a net cash outflow from operating activities of RMB6.2 million in FY2015 which comprised cash inflow from operating profit before working capital changes of RMB4.5 million adjusted for net working capital outflow of RMB10.7 million.

Net Cash used in Investing Activities

The Group recorded a net cash inflow from investing activities of approximately RMB0.04 million arising mainly from interest income.

Net Cash generated from Financing Activities

The Group recorded a net cash inflow from financing activities of approximately RMB8.8 million arising from issue of shares and convertible loan, offset by repayment of loan.

The unaudited interim consolidated cash flow statements of the Group as at 30 June 2016 are set out below:

	Group
	Past 6 months ending
	30 June 2016
	RMB'000
	Unaudited
Cash flows from operating activities	
Operating profit/(loss) before taxation	3,263
Adjustments for:	
Interest income	(183)
Operating profit/(loss) before working capital changes	<u>3,080</u>
Changes in inventories	(7,576)
Changes in trade and other receivables	(1,249)
Changes in trade and other payables and accruals	<u>981</u>
Cash used in operations	(4,764)
Income taxes	<u>-</u>
Net cash used in operating and non-operating activities	<u>(4,764)</u>
Cash flows from investing activities	
Interest received	<u>183</u>
Net cash generated from investing activities	<u>183</u>
Net decrease in cash and cash equivalents	(4,581)
Effect of foreign exchange differences	1,859
Cash and cash equivalents at beginning of the period	<u>4,794</u>
Cash and cash equivalents at end of the period	<u><u>2,072</u></u>
Analysis of balances of cash and cash equivalents	
Cash and bank balances	<u><u>2,072</u></u>

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A review of the cash flow position for the Group as at 30 June 2016 is set out below:

During the six months ending 30 June 2016, cash and bank balances decreased by RMB2.7 million (net of foreign exchange effect) from RMB4.8 million as at 31 December 2015 to RMB2.1 million as at 30 June 2016.

Net Cash used in Operating Activities

The Group recorded a net cash outflow from operating activities of RMB4.8 million which comprised cash inflow from operating profit before working capital changes of RMB3.1 million adjusted for net working capital outflow of RMB7.9 million.

Net Cash generated from Investing Activities

The Group recorded a net cash inflow from investing activities of approximately RMB0.2 million arising mainly from interest income.

Net Cash generated from Financing Activities

The Group did not engage in any financing activities during the six months ended 30 June 2016.

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- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**

As at the date of lodgement of this Offer Information Statement, the Directors are of the reasonable opinion that, after taking into consideration the internal resources, the operating cash flows of the Group and the issuance of the Settlement Shares to the Creditors, the working capital available to the Group is sufficient to meet its present requirements.

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- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide—**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

To the best knowledge of the Directors, as at the date of this Offer Information Statement, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity.

Trend Information and Profit Forecast or Profit Estimate

- 9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial**

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condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled "Cautionary Note on Forward-Looking Statements" of this Offer Information Statement for further details.

Save as disclosed below and in this Offer Information Statement, and barring unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the current financial year.

Risk Factors

To the best of the Directors' knowledge and belief as at the Latest Practicable Date, the risk factors that are material to Shareholders and prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industries and/or countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develop into actual events, the business, financial condition, results of operations and prospects of the Company and the Group could be materially and adversely affected. In such event, the trading price of the Shares, and/or the Rights Shares could decline due to any of these considerations and uncertainties, and Shareholders and investors may lose all or part of their investment in the securities of the Company.

(a) The Group is exposed to risks associated with acquisitions, joint ventures and strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group's expansion may involve acquisitions, joint ventures or strategic alliances with third parties in overseas market. There is no assurance that such acquisitions, joint ventures, strategic alliances or the joint management of such enterprises will be successful.

Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management attention and loss of capital or other investments deployed in such ventures, alliances, acquisitions or opportunities.

(b) Potential for involvement in legal or other proceedings arising from the Group's operations

The Group may be involved from time to time in disputes with various parties which include clients, franchisees and other partners. These disputes may lead to legal and other proceedings. The Group may also have disagreements with regulatory bodies and these may subject the Group to administrative proceedings.

In the event that unfavourable decrees are determined by the courts or the regulatory bodies, the Group may suffer financial losses.

(c) The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

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While the Group will, where appropriate, obtain insurance policies to cover losses in respect of its assets and certain eventualities arising from the Group's operations, the insurance obtained may not be sufficient to cover all potential losses, including losses arising from risks which are generally not insurable. These include losses arising from acts of God, earthquakes, war, civil disorder and acts of terrorism. Losses arising out of damage to the Group's assets covered by the insurance policies in excess of the amount they are insured may affect the Group's profitability.

(d) There is no assurance of completion of any acquisitions by the Group

The Group is considering acquisitions in a similar and other industries. There is no certainty that any proposed acquisition which has been announced will be completed. Even after completion, there is no certainty that the new business will be profitable.

(e) The Company's Share price may fluctuate

There is no assurance that the market price for the Shares will not fluctuate significantly and rapidly as a result of certain factors, some of which are beyond the Company's control. Examples of such factors include, *inter alia*, (i) variation(s) of its operating results; (ii) changes in securities analysts' estimates of the Group's financial performance; (iii) additions or departures of key personnel; (iv) fluctuations in stock market prices and volume; (v) involvement in litigation; and (vi) general economic and stock market conditions.

(f) Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company

In the event that Entitled Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if the Entitled Shareholder sells its Rights, or such Rights are sold on its behalf, the consideration it receives may not be sufficient to compensate it fully for the dilution of its ownership of the Company as a result of the Rights Issue.

(g) Investors may experience future dilution in the number of their Shares

The Group may need to raise additional funds in the future to finance any repayment of borrowings, expansion of new developments relating to the Group's existing operations and/or to finance future investments. If additional funds are raised through the issuance by the Company of new Shares other than on a pro rata basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

(h) Minimum trading price of Shares

Shareholders should note that the Company has not complied with the minimum trading price criteria of a volume weighted average price of at least S\$0.20 for the last six (6) months pursuant to Rule 1311(2) of the Listing Manual ("MTP Criteria"). The Company is currently in the watch list for not complying with the MTP Criteria. The SGX-ST will assess whether to remove the Company from this watch list if it has been on the watch list for at least six (6) months and records a volume weighted average price of S\$0.20 over the last six (6) months prior to the date of such assessment. If the Company remains on the watch list for thirty-six (36) months, the SGX-ST may remove the Company from the Official List or suspend trading of the Shares with a view to removing the Company from the Official List.

(i) Watch-list

The Company would be required to meet the requirements of Rule 1314 of the Listing Manual within on or before 4 March 2017, failing which the SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delisting the Company.

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- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable, because there is no profit forecast disclosed.

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11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

Not applicable, because there is no profit forecast or profit estimate disclosed.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

Not applicable, because there is no profit forecast disclosed.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part–

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable, because there is no profit forecast disclosed.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part–

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable, because there is no profit forecast disclosed.

Significant Changes

15. Disclose any event that has occurred from the end of–

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that

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period, to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement, the Directors are not aware of any event which has occurred since 31 December 2015 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

Meaning of “published”

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

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PART VI – THE OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**

The Issue Price for each Rights Share is S\$0.00475, payable in full upon acceptance and application. The Issue Price represents a discount of approximately 32% to the last traded price of S\$0.007 for the trades on the SGX-ST on 3 May 2016, being the last trading day of the Shares prior to the release of the announcement on the Rights Issue.

The expenses incurred in the Rights Issue will not be specifically charged to subscribers or purchasers of the Rights Shares. However, an administrative fee will be incurred for each successful application made through the ATMs of the respective Participating Banks.

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- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

The Shares are and the Rights Shares will be, traded on the Main Board.

-
- 3. If –**

- (a) any of the relevant entity’s shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived, indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the “Eligibility of Shareholders to Participate in the Rights Issue” section of this Offer Information Statement for further details.

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- 4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –**

- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –**
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities–**

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
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- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
 - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
 - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.
-

The Rights Shares to be issued are of the same class as the Shares and the Shares are listed for quotation on the Main Board.

- (a) The price range and volume of the Shares traded on the SGX-ST over the last 12 months immediately preceding the Latest Practicable Date are as follows:-

	Price range		Volume ('000)
	Low (S\$)	High (S\$)	
November 2015	0.006	0.008	12,812
December 2015	0.006	0.008	16,321
January 2016	0.005	0.008	4,714
February 2016	0.004	0.008	19,173
March 2016	0.005	0.008	7,836
April 2016	0.005	0.007	9,949
May 2016	0.005	0.008	20,228
June 2016	0.005	0.008	7,090
July 2016	0.004	0.008	3,291
August 2016	0.005	0.005	-
September 2016	0.003	0.004	817
October 2016	0.004	0.005	39,989

- (b) Not applicable
- (c) There has been no trading suspension of the Shares during the three (3) years immediately preceding the Latest Practicable Date, save for the purposes of releasing material announcements.
- (d) Please refer to paragraph 4(a) of this Part VI for the volume of Shares traded during each of the last twelve (12) calendar months immediately preceding the Latest Practicable Date. Based on the information set out therein, the Shares are not regularly traded on Mainboard.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.

The Rights Shares, when issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
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The Rights Shares are to be issued pursuant to the approval granted by the Shareholders at the extraordinary general meeting of the Company held on 27 July 2016 and the resolutions of the Board of Directors passed on 27 July 2016.

Plan of Distribution

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

The Rights Shares will be provisionally allotted to Entitled Shareholders on the basis of four (4) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date.

Entitled Shareholders will be at liberty to accept (in full or in part), decline, or otherwise renounce or trade (during the provisional allotment trading period prescribed by SGX-ST) their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy Excess Applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. It is hereby disclosed and confirmed that in the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares. The Company will also not make any allotment and issue of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its pro-rata Rights Shares entitlement) to avoid placing the relevant Substantial Shareholder in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the "Eligibility of Shareholders to Participate in the Rights Issue" section of this Offer Information Statement for further details.

-
- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

Not applicable as there is no underwriter.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2005**

PART VII – ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
-

Not applicable, because no statement or report attributed to a person as an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —**
- (a) **state the date on which the statement was made;**
 - (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not applicable, because no statement has been made by an expert in this Offer Information Statement.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in the Offer Information Statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**
-

Not applicable, because no statement has been made by an expert in this Offer Information Statement.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

Not applicable as there is no issue manager or underwriter.

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly—**
- (a) **the relevant entity's business operations or financial position or results; or**
 - (b) **investments by holders of securities in the relevant entity.**
-

Saved as disclosed in this Offer Information Statement and to the best of their knowledge, the Directors are not aware of any other particulars of any other matters not disclosed under any other paragraph of this Offer Information Statement which could materially affect, directly or indirectly, the Company's business operations or financial position or results or investments by the holders of securities in the Company.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2005**

**PART VIII – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES
OR UNITS OF DEBENTURES**

Not applicable.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2005**

PART IX – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2005**

**PART X – ADDITIONAL INFORMATION REQUIRED
FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE**

1. Provide –

- (a) the particulars of the rights issue;**
- (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;**
- (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;**
- (d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;**
- (e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;**

(a) Principal Terms of the Rights Shares

Number of Rights Shares : Up to 6,446,991,796 Rights Shares

Basis of Provisional Allotment : The Rights Issue is made on a renounceable basis to Entitled Shareholders on the basis of four (4) Rights Shares for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Issue Price : S\$0.00475 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents a discount of approximately 32% to the last traded price of S\$0.007 for Shares traded on the SGX-ST on 3 May 2016, being the last trading day of the Shares prior to the release of the announcement on the Rights Issue.

Eligibility to participate : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement.

Status of the Rights Shares : The Rights Shares are payable in full upon acceptance and application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2005**

- Acceptance and Excess:
Application
- Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of Rights Shares on the Main Board during the provisional allotment trading period prescribed by SGX-ST and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.
- Provisional allotments which are not taken up for any reason shall be aggregated and used to satisfy Excess Applications (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.
- In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and that Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of Directors will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares. The Company will also not make any allotment and issue of any excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.
- Listing of the Rights Shares : The Company has obtained the in-principle approval of the SGX-ST for the listing of and quotation of the Rights Shares. An announcement was made by the Company on 2 July 2016 which provides for the conditions that are required to be fulfilled. 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. Subject to fulfillment of all conditions, the Rights Shares will be admitted to SGX-ST after the certificates relating thereto have been issued and the allotment letters from CDP have been despatched.
- Trading of the Rights Shares : Upon the listing and quotation of the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise of 100 Shares.
- Scaling Down : Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription for the Rights Shares by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its pro-rata Rights Shares) to avoid placing the relevant Substantial Shareholder in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2005**

Use of SRS Funds : SRS Members who wish to accept their provisional allotments of Rights Shares and apply for excess Rights Shares (if applicable) can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such SRS Members who wish to accept their provisional allotments of Rights Shares and apply for excess Rights Shares using SRS monies (if applicable), must instruct the relevant approved banks in which they hold their SRS Accounts to accept their provisional allotments of Rights Shares and apply for excess Rights Shares (if applicable) on their behalf. Any application made directly to CDP or through ATM by such Entitled Shareholders will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of Rights Shares directly from the market.

Governing Law : Laws of the Republic of Singapore.

- (b) The last date and time for the splitting of the provisional allotment of the Rights is on 15 November 2016 at 5.00 p.m.
- (c) The last date and time for acceptance of and payment for the Rights Shares is on 21 November 2016 at 5.00 p.m. (and 21 November 2016 at 9.30 p.m. for Electronic Applications via ATM of Participating Banks).
- (d) The last date and time for renunciation of and payment by the renounee for the Rights Shares is on 21 November 2016 at 5.00 p.m. (and 21 November 2016 at 9.30 p.m. for Electronic Applications via ATM of Participating Banks).
- (e) The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including Appendices A to C, and in the PAL, the ARE and the ARS.

(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and

Not applicable, because no undertaking has been obtained from any Substantial Shareholders.

(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

The Rights Issue is not underwritten taking into consideration the current market conditions for fund raising, cost of engaging an underwriter and having to pay commission in relation to the underwriting, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES OF THE SGX-ST LISTING MANUAL

1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

Summary of working capital of the Group as at FY2013, FY2014 and FY2015 are summarised below:

	As at FY2013 RMB'000	As at FY2014 RMB'000	As at FY2015 RMB'000
Current Assets	76,277	29,827	41,813
Current liabilities	20,799	28,584	29,610
Net Current Assets/(Liabilities)	55,478	1,243	12,203

A review of the working capital of the Group for FY2013, FY2014 and FY2015 is set out below.

FY 2015

The Group was in net current assets position of RMB12,203,000 and cash and bank balances of RMB4,794,000 as at 31 December 2015. The Group has sufficient operating cash flow in the next twelve months from 31 December 2015 for operating activities as the Group recorded operating profit for FY2015.

FY2014

The Group was in net current assets position of RMB1,243,000 and cash and bank balances of RMB2,157,000 as at 31 December 2014. The Group had sufficient operating cash flow in the twelve months from 31 December 2014 for operating activities after taking into account the credit facilities from Advance Opportunities Fund.

FY2013

The Group was in net current assets position of RMB55,478,000 and cash and bank balances of RMB22,327,000 as at 31 December 2013. The Group had sufficient operating cash flow for the next twelve months for operation.

The working capital of the Group as at 30 June 2016 is summarised below:

	30 June 2016 RMB'000
Current Assets	47,916
Current Liabilities	30,591
Net Current Assets	17,325

The Group was in net current assets position of RMB17,325,000 and cash and bank balances of RMB2,072,000 as at 30 June 2016. The Group has sufficient operating cash flow in the next twelve months from 30 June 2016 for operating activities as the Group recorded operating profit for the period.

1. Convertible Securities

- (i) **Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.**

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES OF
THE SGX-ST LISTING MANUAL**

- (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on a price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.
-

Not applicable.

2. Responsibility Statements

Not applicable.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made *via* the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if this ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix C of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and, the number of excess Rights Shares applied for and in Part C of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for:
 - (i) by hand to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE #01- 19/20, THE METROPOLIS, SINGAPORE 138588**; or
 - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

in each case so as to arrive not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — CACOLA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix A which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require.

Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“Purchasers”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. You may obtain a copy from The Central Depository (Pte) Limited. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

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4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE AT AN ISSUE PRICE OF S\$0.00475 FOR EACH RIGHTS SHARE)

As an illustration, if an Entitled Depositor has 10,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 40,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

- (a) Accept his entire provisional allotment of 40,000 Rights Shares and (if applicable) apply for excess Rights Shares

- (1) Accept his entire provisional allotment of 40,000 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 40,000 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$190.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP – CACOLA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE #01-19/20, THE METROPOLIS, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

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NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- (b) Accept a portion of his provisional allotment of Rights Shares, for example 20,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST.
- (1) Accept his provisional allotment of 20,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 21 November 2016**; or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 20,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$95.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (c) Accept a portion of his provisional allotment of Rights Shares, for example 5,000 provisionally allotted Rights Shares, and reject the balance.
- (1) Accept his provisional allotment of 5,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 5,000 Rights Shares and forward the original signed ARE, together with a single remittance for S\$23.75, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 35,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 21 November 2016** or if an acceptance is not made through CDP by **5.00 p.m. on 21 November 2016**.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 21 NOVEMBER 2016 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.**
- (B) 5.00 P.M. ON 21 NOVEMBER 2016 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE; AND**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix A, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Right Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, or

the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

other application form for Rights Shares in relation to the Rights Issue made through CDP; and

- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority. The Company reserves the right to refuse any application for excess Rights Shares in whole or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to an Entitled Depositor is less than the number of excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within 3 business days after the commencement of trading of the Rights Shares, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

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- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP — CACOLA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE #01-19/20, THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent(s) for the Rights Shares is effected by **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

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It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

Personal Data Privacy By completing and delivering an ARE or an ARS and in the case of an Electronic Application through an ATM of a Participating Bank, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM, an Entitled Depositor (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, the SGX-ST and the Company (the "**Relevant Persons**") for the purposes of facilitating his application for the Rights Shares and (if applicable) his application for Excess Rights Shares, and in order for the Relevant Person to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and form part of this Offer Information Statement:-

Renounceable PAL incorporating:-

Form of Acceptance	FORM A
Request for Splitting	FORM B
Form of Renunciation	FORM C
Form of Nomination	FORM D
Excess Rights Shares Application Form	FORM E

The provisional allotments of the Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the enclosed PAL. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlement(s), if any, having been disregarded). Entitled Scripholders may accept their provisional allotments in full or in part and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in the PAL.

THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF RIGHTS SHARES ACCEPTED/APPLIED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.

Entitled Scripholders should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.

Unless expressly provided to the contrary in this Offer Information Statement or the PAL with respect to enforcement against Entitled Scripholders or their renounees, a person who is not a party to any contract made pursuant to this Offer Information Statement or the PAL has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts.

Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares or to accept any part of it and decline the balance, should complete Form A of the PAL for the number of Rights Shares which they wish to accept and forward the PAL, in its entirety, together with payment in the manner hereinafter prescribed to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one person, should first, using Form B, request to have their provisional allotments under the PAL split into separate PALs (the “**Split Letters**”) according to their requirements. The duly completed Form B together with the PAL, in its entirety, should be returned to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing Form C before delivery to the renounee. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

An Entitled Scripholder who wishes to renounce his entire provisional allotment of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which he wishes to renounce and deliver the PAL in its entirety to the renounee(s).

The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Unless acceptance and payment for the full amount due on acceptance in relation to PALs made in Singapore currency is in the form of a Banker's Draft or Cashier's Order drawn on a bank in Singapore and made payable to “**CACOLA FURNITURE INTERNATIONAL LIMITED**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or accepting party clearly written on the reverse side of the remittance is received by **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** by **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void. Such provisional allotments of Rights Shares not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith by ORDINARY POST and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or share of revenue or benefit arising therefrom within 14 days after the Closing Date. **ACCEPTANCES ACCOMPANIED BY ANY OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE REJECTED.**

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Form E of the PAL and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares applied for in the form and manner set out above to **CACOLA FURNITURE INTERNATIONAL LIMITED C/O THE SHARE REGISTRAR, BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD, 50 RAFFLES PLACE, #32-01 SINGAPORE LAND TOWER, SINGAPORE 048623** so as to arrive not later than **5.00 p.m. on 21 November 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' discretion, be satisfied from such Rights Shares as are not validly taken up, the unsold "nil-paid" provisional allotments (if any) of Foreign Shareholders, the aggregated fractional entitlements and any Rights Shares that are otherwise not allotted for any reason. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company. The Company reserves the right to allot the excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or refuse, in whole or in part, any application for excess Rights Shares without assigning any reason therefor.

If no excess Rights Shares are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application for excess Rights Shares or the surplus application monies, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date, **by ORDINARY POST** and at their **own risk**.

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 21 NOVEMBER 2016 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).

Personal Data Privacy By completing and delivering the PAL, an Entitled Scripholder (i) consents to the collection, use and disclosure of his personal data by the Share Registrar, CDP, the SGX-ST and the Company (the "**Relevant Persons**") for the purposes of facilitating his application for the Rights Shares and (if applicable) his application for Excess Rights Shares, and in order for the Relevant Person to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "**Purposes**"), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX C– ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “Steps”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one (1) Participating Bank cannot be used in respect of the acceptance and (if applicable) excess application for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Shareholder or the purchaser of the provisional allotment of Rights Shares who accepts or (as the case may be) applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Banks before he can make an Electronic Application at the ATMs of that Participating Bank. The actions that the Applicant must take at ATMs of the other Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Applicant and should not be submitted with any ARE/ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance/application liable to be rejected.

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below.

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and application for the Rights Shares and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd (SCCS), CDP, the SGX-ST, and the Company (the “Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the 2 statements. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(4) of the Banking Act (Chapter 19), to the disclosure by that Participating Bank of the Relevant Particulars of his account with that Participating Bank to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.

APPENDIX C– ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept the lesser of the number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of provisionally allotted Rights Shares standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such excess Rights Shares or not to allot any excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM) of the number of Rights Shares accepted or excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted or excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares by way of a ARE and/or a ARS (as the case may be) and/or by way of acceptance through the Electronic Application through the ATM, CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Shares that the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of Rights Shares not exceeding the number of provisionally allotted Rights Shares that are standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date, and CDP, in determining the number of Rights Shares that the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptances, whether by way of banker’s draft or cashier’s order accompanying the ARE and/or ARS by way of acceptance through the Electronic Application through the ATM.
- (6) If applicable, in the event that the Applicant applies for excess Rights Shares by way of a ARE and by way of application through the Electronic Application through the ATM, CDP shall be authorized and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of application through Electronic Application through the ATM and by way of ARE. CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions for application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of banker’s draft or cashier’s order accompanying the ARE by way of application through Electronic Application through the ATM.
- (7) The Applicant irrevocably requests and authorises the Company to:
 - (a) register or procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return (without interest or any share of revenue or other benefit arising there from) the application monies, should his Electronic Application for Rights Shares or excess Rights Shares not be accepted, by automatically crediting the Applicant’s bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and

APPENDIX C– ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

- (c) return (without interest or any share of revenue or other benefit arising there from) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of the Company, CDP, or the Participating Banks), and any other events beyond the control of the Company, CDP, or the Participating Banks and if, in any such event, our Company, CDP, or the Participating Banks do not record or receive the Applicant's Electronic Application, or data relating to the Applicant's Electronic Application or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed **not** to have made an Electronic Application and the Applicant shall have no claim whatsoever against the Company, CDP, or the Participating Banks for the purported acceptance of the Rights Shares accepted and (if applicable) excess Rights Shares applied for or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. to 9.30 p.m.**
- (11) Electronic Applications shall close at **9.30 p.m. on 21 November 2016** or such other time as the Directors may, in their absolute discretion, decide.
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy of such particulars. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of the other Participating Banks that does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the application monies will be refunded in S\$ (without interest or any share of revenue or other benefit arising there from) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of application monies will be refunded.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 21 November 2016** or such later time or date as the Directors may, in their absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any amendment to this Offer Information Statement or replacement or supplemental document is lodged with the Authority);

APPENDIX C– ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

- (b) his Electronic Application, the acceptance by the Company and the contract resulting there from shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP, or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP, or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or acceptance of his application for excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the relevant parties to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for excess Rights Shares, as the case may be, by way of ARE or ARS or by way of Electronic Application through the ATMs, the provisionally allotted Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit and the amount paid on acceptance and (if applicable) application or the surplus application monies, as the case may be, will be refunded without interest or any share of revenue or other benefit arising there from within 14 days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque sent by ordinary post at his own risk to his mailing address as maintained with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and
 - (b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM.

**APPENDIX C– ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC
APPLICATION THROUGH ATMS OF PARTICIPATING BANKS**

- (19) The Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotments of Rights Shares which he can validly accept, CDP and the Company are entitled and the Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Applicant has validly accepted, whether under the ARE(s) or any other form of application (including Electronic Application through an ATM) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the “Free Balance” of the Entitled Depositor’s Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Entitled Depositor.

The Applicant acknowledges that CDP’s, the Company’s determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement 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 Offer Information Statement in its proper form and context.

For and on behalf of **CACOLA FURNITURE INTERNATIONAL LIMITED**

Chow Tat Ming Henry
Director

Zhou Min Zong
Director

Yeo Kan Yen Alvin
Director

Lau Kay Heng
Director

Tan Kay Hock
Director

Fan Cheuk Siu
Director