CACOLA FURNITURE INTERNATIONAL LIMITED
(Incorporated in the Cayman Islands)
Company Registration No. 179492

FURTHER INFORMATION RELATED TO THE PROPOSED ACQUISITION OF 60% OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF A & G INTERNATIONAL HOLDINGS LIMITED

The Board of Directors (the "**Board**") of Cacola Furniture International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement made by the Company on 27 October 2016 and wishes to provide shareholders with further information on the Target Group.

The capitalized terms herein shall have the same meaning as that set out in the announcement by the Company made on 27 October 2016.

The Vendors have informed the Board that the Target Group has secured certain strategic contracts to supply home furnishing including sofa sets to major distributors in Australia, China, and South Korea. These distributors include :

1. **Leading furniture, bedding and outdoor retailer** in Australia
   This distributor was founded in Brisbane, Queensland in 1970 and has grown to become one of the leading furniture, bedding and outdoor retailers in Australia. With over 50 stores nationwide, and provides everything from beds to dining tables and sofas and outdoor settings.
2. **Leading home textile product company** in China
   Listed on the Shenzhen Stock Exchange and is in Forbes Asia 200 under USD one billion dollar company, this distributor was founded in 1994, is one of China's leading manufacturer and distributor of home textile products.
3. **Leading furniture Lifestyle Company** in South Korea.
   Listed on the Korea Securities and Futures Exchange, this distributor is a furniture lifestyle culture company that emphasises on "Designing the living space through art". It has been selected as the "Korea Well-Being Consumer Index" No. 1 company in the furniture category for 9 consecutive years.

The Vendors have further informed the Board that other than being the Original Design Manufacturer ("**ODM**") for Calia Italia, a state of the art sofa company in Europe, the Target Group also manufactures and distributes high quality artistic home furniture under the house brand, **Domus Divani**. The Target Group plans to establish at least 80 specialty stores in Australia, New Zealand and South Korea by June 2017 to promote Domus Divani.

As such the Target Group will bring both technical knowledge and management skills to improve and enhance the Group's overall performance.

The above information is subject to the Company carrying out further due diligence on the Target Group.

Shareholders are advised to exercise caution in trading their shares. There is no certainty or

assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Zhou Min Zong
CHIEF EXECUTIVE OFFICER
8 November 2016