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

PROPOSED PLACEMENT OF 141,777,778 NEW ORDINARY SHARES IN THE CAPITAL OF CACOLA FURNITURE INTERNATIONAL LIMITED

1. INTRODUCTION

1.1 The board of directors (the "**Board**") of Cacola Furniture International Limited (the "**Company**") (the Company and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 5 January 2017. Unless otherwise defined, all capitalized terms and references used herein shall bear the same meaning ascribed to them in the Company's announcement dated 5 January 2017.

2. APPROVAL IN PRINCIPLE

2.1 The Board wishes to announce that the Company has on 1 February 2017 obtained the approval in principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of up to 141,777,778 Subscription Shares at the Issue Price of S$0.0045 per Subscription Share on the Mainboard of the SGX-ST (the "**Approval**"), subject to the following:

(a) compliance with the SGX-ST's listing requirements;

(b) disclosure via SGXNet of the Financial Criteria Watchlist Exit deadline of 4 March 2017 and whether the Company will be able to meet the Financial Exist Criteria to exit the watchlist by 4 March 2017;

(c) submission of the following documents :

(i) written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of proceeds from the Proposed Placement of Subscription Shares and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcement on the use of proceeds and in the annual report;

(ii) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual; and

(iii) a written confirmation from the Company that it will not issue the Subscription Shares to persons prohibited under Rule 812(1) of the Listing Manual; and

(d) the Subscription Shares have to be placed out within 7 market days from 1 February 2017.

2.2 The Approval is not to be taken as an indication of the merits of the Proposed Placement, the Subscription Shares, the Company, its subsidiaries and their securities.

3. FINANCIAL CRITERIA WATCHLIST EXIT

3.1 The deadline for the Financial Criteria Watchlist Exist of the Company is 4 March 2017 and the Company is unable to meet the Financial Exit Criteria to exit the watchlist by 4 March 2017. The Company will be making an application to the SGX-ST to extend the deadline for the Company to meet the Financial Exist Criteria.

3.2 If the Company does not meet the above deadline or there is no extension of time granted by the SGX-ST, the SGX-ST may either remove the Company from the Official List, or suspend trading of its Shares (without the agreement of the Company) with a view to removing the Company from the Official List.

4. MINIMUM TRADING PRICE REQUIREMENT ("MTP Requirement")

4.1 Notwithstanding that the Issue Price Per Subscription Share is S$0.0045, the Company confirms that it intends to comply with the MTP Requirement through a share consolidation exercise. However, the any such share consolidation exercise will be done only after the Company has obtained the opinion of its Cayman lawyers for the effect of any share consolidation exercise on the par value of its Shares.

4.2 If the Company does not meet the above requirement or there is no extension of time granted by the SGX-ST, the SGX-ST may either remove the Company from the Official List, or suspend trading of its Shares (without the agreement of the Company) with a view to removing the Company from the Official List.

5. UPDATE

5.1 The Company will update Shareholders on the issue and allotment of the Subscription Shares as well as the date of the listing of and quotation for the Subscription Shares in due course as and when appropriate.

BY ORDER OF THE BOARD

Zhou Min Zong
CHIEF EXECUTIVE OFFICER
2 February 2017