CACOLA FURNITURE INTERNATIONAL LIMITED
(Incorporated in the Cayman Islands)
Company Registration Number: 179492

CLARIFICATION OF MEMORANDUM OF UNDERSTANDING WITH GR BUSINESS HOLDINGS LIMITED

Capitalised terms used herein shall have the same definitions ascribed to them in the MOU Announcement (as defined below), unless otherwise stated or the context otherwise requires.

1. INTRODUCTION

The board of directors (the "**Board**") of Cacola Furniture International Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcement of the Company dated 14 December 2015 ("**MOU Announcement**"), pursuant to which it was announced that the Company had on 12 December 2015 entered into the MOU in relation to the Proposed Acquisition, which is subject to the entry into the Definitive Agreement.

2. EXPIRY OF MOU

The Board wishes to clarify that the MOU has since lapsed and the Company and the Vendor failed to reach a definitive agreement in relation to the Proposed Acquisition.

The Company will continue to assess new business opportunities and potential acquisitions of new businesses with good long term prospects that will improve the overall financial position of the Group.

Shareholders are advised to exercise caution in trading their Shares. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD
CACOLA FURNITURE INTERNATIONAL LIMITED

ZHOU MIN ZONG
CHIEF EXECUTIVE OFFICER
18 April 2016