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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Cacola Furniture International Limited (the "Company", and together with its subsidiaries, the "Group") was placed on the watch-list pursuant to Rule 1311 of the SGX Listing Manual on 5 March 2014. Pursuant to Rule 1313(2) of the SGX Listing Manual, the Board of Directors (the "Board") of the Company wishes to provide the update below in respect of the first quarter ended 31 March 2015.

Financial Position

Please refer to the announcement on 13 May 2015 of the unaudited financial statements of the Group for the first quarter ended 31 March 2015, for an update on the Group's financial position as at 31 March 2015.

Material Development and Future Direction

As announced on 10 April 2014, the Company had entered into a conditional sale and purchase agreement with Sharp Year Ventures Limited (the "Vendor"), pursuant to which the Company will acquire the entire equity interest of a company (the "Target", together with its subsidiaries, the "Target Group", and each a "Target Group Company") to be incorporated in the British Virgin Islands ("BVI") by the Vendor ("Proposed Acquisition").

Prior to the completion of the Proposed Acquisition, the Target will become the holding company of the entire Target Group upon the completion of a proposed restructuring exercise ("Restructuring Exercise") (details of which are set out in Appendix A of the announcement of 10 April 2014) and the Vendor will become the sole legal and beneficial owner of the Target.

Upon completion of the Restructuring Exercise, the Target Group will comprise three business sectors, namely (i) livestock breeding, meat processing and related trading business, (ii) tourism (including hotel operations), and (iii) property development (items (i), (ii) and (iii) are collectively known as "Target Businesses").

As announced on 10 April 2014, the Target Businesses are controlled by Mr He Liangping through Goyes Investment Holdings Group Co., Ltd. ("Goyes Investment"), an investment holding vehicle. Further details of Goyes Investment, its subsidiaries and associate companies ("Goyes Group") are set out in Section B of Appendix A of the Announcement of 10 April 2014.

The Company has announced on 2nd October 2014, to secure a Placement Loan Facility of up to SGD45 million with Advance Opportunities Fund to fund this RTO exercise. The Company has been obtained approval in principle by SGX on 16 March 2015 and approval by shareholders in extraordinary general meeting held on 13 April 2015. This cash funding exercise is critical as it enables the Company to fulfill the key condition precedent of the Sales and Purchase Agreement with the Goyes Group.

Following the completion of the aforesaid Proposed Acquisition, the Company is of the view to ultimately applying to the SGX for the Company's removal from the SGX watch-list.

BY ORDER OF THE BOARD

ZHOU ZHUO LIN
CHIEF EXECUTIVE OFFICER
13 May 2015