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

MINIMUM TRADING PRICE REQUIREMENT

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1. INTRODUCTION

1.1. The board of directors (the "**Board**") of Cacola Furniture International Limited (the "**Company**") refers to the announcement of the Company dated 14 May 2015 (the "**Rights Issue Announcement**") in relation to the proposed renounceable and non-underwritten rights cum warrants issue (the "**Rights cum Warrants Issue**").

1.2. The Board also refers to the announcements of the Company dated 10 April 2014 and 14 January 2015 (collectively, the "**RTO Announcements**") on the execution of a conditional sale and purchase agreement between the Company and Sharp Year Ventures Limited (the "**Vendor**") pursuant to which the Company shall acquire the entire equity interest of a company to be incorporated in the British Virgin Islands by the Vendor (the "**Reverse Takeover**") on terms and conditions of the conditional sale and purchase agreement.

1.3. All capitalised terms used herein, unless otherwise defined or the context otherwise requires, shall have the meaning ascribed to them in the Rights Issue Announcement or the RTO Announcements, as the case may be.

2. MINIMUM TRADING PRICE REQUIREMENT

2.1. With effect from 2 March 2015, issuers (the "**Issuers**") listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") are required to maintain a minimum share price of S$0.20 as a continuing listing requirement (the "**MTP Requirement**"). Pursuant to the MTP Requirement, Issuers will have a 12 month transition period commencing from 2 March 2015 (the "**Required Timeline**") to take steps to comply with the MTP Requirement. The assessment of whether an Issuer has met the MTP Requirement will be based on the volume weighted average price (the "**VWAP**") of its shares for the 6 months preceding the date of review (such first review will take place on 1 March 2016).

If an Issuer is unable to comply with the MTP Requirement at each of the quarterly review dates, it will be placed on the watch-list. In such case, the Issuer must meet the MTP Requirement within 36 months from its entry into the watch-list, failing which it will be subject to delisting in accordance with the Listing Manual of the SGX-ST.

For the past six calendar months prior to this Announcement, the 6-month VWAP of the ordinary shares of the Company (the "**Shares**") was S$0.024 which is below the MTP Requirement.

2.2. As announced in the Rights Issue Announcement, the Company further wishes to highlight to the Shareholders that the Issue Price of S$0.012 for each Rights Share and the Exercise Price of S$0.016 for each New Share under the proposed Rights Cum Warrants Issue are respectively below the MTP Requirement, and such proposed prices may bring the VWAP of the Shares further away from the MTP Requirement.

2.3. Noting the MTP Requirement, the Company will, and is currently considering options as to how the Company might, comply with the MTP Requirement. As of the date of this Announcement, the Company expects that the MTP Requirement will be complied with in the following manner:

(a) *Share Consolidation pursuant to the Reverse Takeover*. As part of the agreed terms of the Reverse Takeover, the Company is required to comply with Rule 1015(3)(d) of the Listing Manual of the SGX-ST, which provides that where the consideration for the acquisition of assets by the issuer is to be satisfied by the issue of shares, the price per share of the issuer after adjusting for any share consolidation must not be lower than S$0.50.

As stated in the RTO Announcements, with the view of complying with such requirement, the Company proposes to consolidate every 60 Shares of the Company into one (1) Consolidated Share (or such Consolidation Ratio as the parties may agree in writing) to be effective on or prior to the Completion Date. The Company is confident that following the successful completion of the Reverse Takeover (which will require that the price per Share of the Company is not less than S$0.50), the MTP Requirement will be complied with.

(b) *Other Options*. Notwithstanding the above, as both of the Reverse Takeover and the Rights Cum Warrants Issue are subject to various conditions precedent, there is no certainty or assurance as of the date of this Announcement that the Reverse Takeover and/or the Rights Cum Warrants Issue will be completed.

In the event that the Reverse Takeover cannot be completed (which may result in the Company not being able to comply with the MTP Requirement before the Required Timeline), the Company will explore other options to ensure compliance with the MTP Requirement as it deems fit, which include but are not limited to undertaking a share consolidation exercise.

Where necessary, the Company will make further announcements of its plan(s) or course of action(s) to comply with the MTP Requirement as and when appropriate.

3. CAUTION IN TRADING

Shareholders are advised to read this Announcement and any announcement(s) made by the Company on the Reverse Takeover, the Rights Cum Warrants Issue and/or its proposed plans to meet the MTP Requirement (if any) 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
CACOLA FURNITURE INTERNATIONAL LIMITED

ZHOU ZHUO LIN
Chief Executive Officer

18 May 2015