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

THE PROPOSED ISSUE OF UP TO 902,734,645 NEW ORDINARY SHARES IN THE CAPITAL OF CACOLA FURNITURE INTERNATIONAL LIMITED AS REPAYMENT OF THE TOTAL DEBT OF S$4,062,306

1. INTRODUCTION

The Board of Directors (the "**Board**") of Cacola Furniture International Limited (the "**Company**") refers to the announcements made by the Company on 18 April 2016 and 17 May 2016 in relation to the Company's proposed issuance of 902,734,645 new ordinary shares in the capital of the Company (the "**Settlement Shares**") at an issue price of S$0.0045 per Settlement Share (the "**Proposed Placement**"). Unless otherwise defined, all capitalized terms and references herein shall bear the same meaning ascribed to them in the Company's announcements dated 18 April 2016 and 17 May 2016.

2. IN-PRINCIPLE APPROVAL

2.1 The Board wishes to announce that the Company has on 1 July 2016 obtained the in-principle approval from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of up to 902,734,645 Settlement Shares on the Main Board of the SGX-ST subject to the following :

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

(b) Shareholders' approval for the Proposed Placement;

(c) a 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 the proceeds from the proposed placement of the Settlement 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 announcements on use of proceeds and in the annual report; and

(d) announcement via SGXNET on the following with regard to the Debt :

(i) breakdown of amount owing to each Creditor;

(ii) use of proceeds from the amount;

(iii) details of how the amounts owing was determined and nature of the transaction; and

(iv) disclosure of shareholding interest of each Creditor before and after the issuance of the Settlement Shares.

The in-principle approval from the SGX-ST is not to be taken as an indication of the merits of the Proposed Placement, the Settlement Shares, the Company and/or its subsidiaries.

3. FURTHER INFORMATION

3.1 Details of the Debt owed to the Creditors are set out below :

Subscriber	Amount owed ($)	Details of the debt
Wang Wei Jun	205,000	Debt arising from i) valuation services; and ii) reporting accountant relating to the acquisition of Sharp Year Ventures Limited ("**SYV Acquisition**") which was terminated.
Lee Sai On	342,222	Debt arising from services provided by PRC legal counsel for the SYV Acquisition and services provided by Singapore legal counsel as sponsor's counsel for the SYV Acquisition
Wan Min	875,000	Debt arising from services provided by reporting accountant for the SYV Acquisition
RHB Securities Singapore Pte. Ltd.	106,567	Debt arising from services provided as sponsor for the SYV Acquisition
MBE Corporate Advisory Pte. Ltd.	124,432	Debt arising from services provided as merger and acquisition consultant for the SYV Acquisition
Boardroom Corporate & Advisory Services Pte. Ltd.	8,678	Debt arising due to registration fees
Morgan Lewis Stamford LLC	465,345	Debt arising from services provided as counsel for SYV Acquisition
Voyage Research Pte. Ltd.	20,000	Debt arising from services provided for market research
MS Corporate Finance Pte. Ltd.	30,000	Debt arising from services provided as independent financial advisor for SYV Acquisition
Fan Cheuk Siu	90,000	Debt arising from director fees
Lau Kay Heng	166,386	Debt arising from director fees
Ho Soo Jeow	105,000	Debt arising from director fees
Yeo Kan Yen Alvin	220,956	Debt arising from director fees of S$100,000 and accrued expenses of S$120,956 (comprising travelling, accommodation and allowances outstanding from July 2014 to 31 December 2015 which have all been audited)
Chow Tat Ming Henry	790,960	Debt arising from director fees of S$150,000, loan from director of S$551,560 and accrued expenses of S$89,400 (comprising travelling, accommodation and allowances outstanding from July 2014 to 31 December 2015 which have all been audited)
Zhou Zhuo Lin	217,622	Debt arising from director fees
Zhou Min Zong	26,539	Debt arising from director fees
Leung Chun Wing	67,941	Debt arising from employment as finance manager
Ng Cheuk Lun	199,657	Debt arising from services provided as financial reporting consultant for the Company (Ng Cheuk Lun is responsible for : (a) reviewing the accounting system of the Group; (b) oversees the accounting team for the chinese subsidiaries and Singapore; (c) oversees compliance for the reporting standards needed in the People's Republic of China and the international financial reporting standards for Singapore; (d) assists with the annual audit of the Group; assists with the quarterly financial results of the Group; (e) ensures compliance for any required

		disclosures and for interested party transactions; (f) oversees the consolidation of accounts; and (g) assisting the Company with respect to any financial matters regarding any corporate exercise. The debt due is for total time cost from July 2014 to 31 December 2015.)
TOTAL	**4,062,305**	

3.2 A breakdown of the shareholding of each of the Creditors before and after the completion of the Proposed Placement can be found below :

Subscriber	No. of shares before completion	No. of shares after completion
Wang Wei Jun	0	45,555,556
Lee Sai On	0	76,049,383
Wan Min	0	194,444,444
RHB Securities Singapore Pte. Ltd.	0	23,681,556
MBE Corporate Advisory Pte. Ltd.	0	27,651,556
Boardroom Corporate & Advisory Services Pte. Ltd.	0	1,928,444
Morgan Lewis Stamford LLC	0	103,410,000
Voyage Research Pte. Ltd.	0	4,444,444
MS Corporate Finance Pte. Ltd.	0	6,666,667
Fan Cheuk Siu	0	20,000,000
Lau Kay Heng	0	36,974,667
Ho Soo Jeow	0	23,333,333
Yeo Kan Yen Alvin	0	49,101,423
Chow Tat Ming Henry	0	175,768,968
Zhou Zhuo Lin	0	48,360,462
Zhou Min Zong	0	5,897,617
Leung Chun Wing	0	15,097,900
Ng Cheuk Lun	0	44,368,224

3.3 The Settlement Shares are issued at the same Issue Price based on respective Debt owing to each Creditor.

4. DESPATCH OF CIRCULAR

4.1 The circular to Shareholders containing, amongst others, the Proposed Placement, will be issued by the Company in due course.

5. RESPONSIBILITY STATEMENT

5.1 The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this announcement misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

6. TRADING CAUTION

6.1 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 allotment and issuance of the Settlement Shares 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
2 July 2016