CACOLA FURNITURE INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands)
Company Registration No. 179492

TERMINATION OF NEGOTIATIONS ON THE PROPOSED GUIZHOU GOLDMINE ACQUISITION AND THE PROPOSED HUBEI GOLDMINE ACQUISITION

---

1. INTRODUCTION

The board of directors (the "**Board**") of Cacola Furniture International Limited (the "**Company**") would like to refer to the following:

(a) the announcements made by the Company on 4 June 2013, 28 June 2013, 31 July 2013 and 5 August 2013, regarding the non-legally binding memorandum of understanding ("**Guizhou Goldmine MOU**") entered into by the Company in respect of the proposed acquisition of the entire issued and paid-up share capital of Gold Depot Investment Limited from Gold Tycoon Limited (the "**Proposed Guizhou Goldmine Acquisition**"), and such other references by the Company from time to time on the Proposed Guizhou Goldmine Acquisition; and

(b) the announcements by the Company on 29 October 2013 and 7 November 2013 regarding the legally binding memorandum of understanding ("**Hubei Goldmine MOU**") in respect of the proposed acquisition of 51% of the equity interest of Yunxi XingQiang Gold Ltd.（郧西兴强金矿有限公司）(the "**Proposed Hubei Goldmine Acquisition**"), and such other references by the Company from time to time on the Proposed Hubei Goldmine Acquisition.

2. TERMINATION OF THE MEMORANDUMS OF UNDERSTANDING

Further to the Company's announcement today on the proposed acquisition by the Company of the entire equity interest of a company to be incorporated in the British Virgin Islands by Sharp Year Ventures Limited upon the completion of a Restructuring Exercise (as defined therein) ("**Proposed GOYES Acquisition**"), the Board would like to update the shareholders of the Company ("**Shareholders**") that the Company has terminated all negotiations and discussions on the Proposed Guizhou Goldmine Acquisition and the Proposed Hubei Goldmine Acquisition.

2.1.1. Proposed Guizhou Goldmine Acquisition

Under the Guizhou Goldmine MOU, the first long-stop date for the execution of definitive agreements in respect of the Proposed Guizhou Goldmine Acquisition was 30 June 2013. On 28 June 2013, the long-stop date was further extended for one month from 30 June 2013 to 31 July 2013. Following the lapse of the extended long-stop date, the Company further announced on 31 July 2013 and later 5 August 2013 that notwithstanding the lapse of the long-stop date, the Company shall continue ongoing discussions with Gold Tycoon Limited with a view of finalising the transaction. The parties never formally extended the long-stop date for the Guizhou Goldmine MOU beyond 31 July 2013.

On 9 April 2014, the Company formally sent a termination notice in writing to Gold Tycoon Limited that as the relevant long-stop date lapsed, it will no longer pursue the transactions contemplated under the Guizhou Goldmine MOU. Accordingly, Shareholders should note that all negotiations and discussion on the Proposed Guizhou Goldmine Acquisition have been terminated.

2.1.2. Proposed Hubei Goldmine Acquisition

Under the Hubei Goldmine MOU, the long-stop date for the execution of definitive agreements in respect of the Proposed Hubei Goldmine Acquisition was 30 December 2013. Following the lapse of the long-stop date for the Hubei Goldmine MOU, and not withstanding continued discussions from time to time, the parties never formally extended the long-stop date.

On 10 April 2014, the Company formally sent a termination notice in writing to Yunxi XingQiang Gold Ltd.（郧西兴强金矿有限公司）and its shareholders that as the relevant long-stop date lapsed, it will no longer pursue the transactions contemplated under the Hubei Goldmine MOU. Accordingly, Shareholders should note that all negotiations and discussion on the Proposed Hubei Goldmine Acquisition have been terminated.

3. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares as the Proposed GOYES Acquisition is subject to numerous conditions and there is no certainty or assurance as at the date of this announcement that the Proposed GOYES Acquisition will be completed. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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, this announcement constitutes full and true disclosure of all material facts about the terminations of the Hubei Goldmine MOU and the Guizhou Goldmine MOU, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement 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 the announcement in its proper form and context.

BY ORDER OF THE BOARD

ZHOU ZHUO LIN
CHIEF EXECUTIVE OFFICER
10 April 2014