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

CLARIFICATION ON CONSOLIDATION RATIO

---

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 10 April 2014 (the "**RTO Announcement**") 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.

1.2. The Board also refers to the announcement of the Company dated 18 May 2015 (the "**MTP Requirement Announcement**") in relation to the requirement with effect from 2 March 2015 that issuers listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") maintain a minimum share price of S$0.20 as a continuing listing requirement (the "**MTP Requirement**").

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

2. CLARIFICATION ON CONSLIDATION RATIO

2.1. In the RTO Announcement, the Company stated that it "proposes to consolidate every 60 Shares of the Company into one Consolidated Share (or such other Consolidation Ratio as the parties may agree in writing) effective on or prior to the Completion Date. The purpose of the Share Consolidation is to allow the Company to comply with the requirement of the Listing Manual for a minimum issue price of S$0.50 under Rule 1015(3)(d) of the Listing Manual".

2.2. Similarly, in the MTP Requirement Announcement, the Company stated that it "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."

2.3. The Company would like to clarify that the proposed Consolidation Ratio of 60 Shares of the Company into 1 Consolidated Share mentioned in the RTO Announcement and the MTP Requirement Announcement was only for illustrative purposes and may not be the definitive final Consolidation Ratio.

3. CAUTION IN TRADING

Shareholders are advised to read this Announcement and any announcement(s) made by the Company on the Reverse Takeover 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 June 2015