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

ANNOUNCEMENT PURSUANT TO RULE 704(5) AND RULE 704(6) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") LISTING MANUAL (THE "LISTING MANUAL")

APPLICATION FOR EXTENSION OF TIME TO MEET THE REQUIREMENTS UNDER RULE 1314 OF THE LISTING MANUAL OF THE SGX-ST TO EXIT FROM THE SGX- ST WATCH-LIST (THE "WATCH-LIST")

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1. Qualified Auditors' Opinion on the Financial Statements for the Year Ended 31 December 2015 Pursuant to Rule 704(5) of the Listing Manual

The Board of Directors (the "**Board**") of Cacola Furniture International Limited (the "**Company**") wishes to announce that the Company's Independent Auditors, Foo Kon Tan LLP, have issued a qualified opinion in the Independent Auditor's Report on the consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2015 ("**FY2015**").

The Independent Auditor's Report to the members is annexed to this Announcement.

The Annual Report for FY2015 of the Company which will contain the above Independent Auditors' Report will be issued to Shareholders and the SGX-ST on or around 10 March 2016.

2. Material Adjustments to the Preliminary Full Year Results Announcement for the Financial Year ended 31 December 2015 Pursuant to Rule 704(6) of the Listing Manual

The Board refers to the Company's full year results announcement for FY2015 which was released on 5 February 2016. In compliance with Rule 704(6) of the Listing Manual, the Company wishes to announce that there were differences between the audited financial statements and the unaudited full year results in respect of FY2015 following the finalisation of the audit. Details and clarifications of the adjustments and reclassifications are as annexed to this announcement.

3. Pre-Tax Profit for FY2015 Based on Audited Accounts

The Board refers to the announcements of the Company dated 10 February 2016 and 8 March 2016 relating to the Company's application to the SGX-ST for an extension of 12 months to apply for its removal from the Watch-List and the SGX-ST's granting the Company an extension of time of up to 12 months to 4 March 2017 to meet the requirements for removal from the Watch-List, subject to the fulfilment of certain conditions.

One of the above-mentioned conditions was that the Company record a pre-tax profit for FY2015 based on the audited accounts, excluding exceptional or non-recurrent income and extraordinary items, and the Company making an announcement to confirm this when its audited FY2015 financial statements are issued.

The Company's audited FY2015 financial statements indicate that the Company recorded

a pre-tax profit for FY2015 after exceptional or non-recurrent income and extraordinary items were excluded.

While the Consolidated Statement of Profit or Loss and Other Comprehensive Income indicates loss before taxation of RMB 1,734,000, this includes a write-off of non-recurring prepaid expenses and impairment losses of RMB 6,263,000. As highlighted in Note 16 to the audited FY2015 financial statements, these relate to pre-paid expenses that were written off as non-recurring one-off expenses incurred in respect of the proposed acquisition of Sharp Year Ventures Limited, a transaction that was terminated.

If this amount of RMB6,263,000 is excluded, the Company's pre-tax profit for FY2015 would be RMB4,520,000.

This is supported by the Consolidated Statement of Cash Flows, which indicates that the Company's operating profit before working capital charges for FY2015 was RMB 4,518,000.

BY ORDER OF THE BOARD

ZHOU MIN ZONG
CHIEF EXECUTIVE OFFICER

10 March 2016