CACOLA FURNITURE INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands)
Company Registration Number: 179492

FUND RAISING: APPROVAL-IN-PRINCIPLE FROM SGX FOR THE LISTING AND QUOTATION OF

(A) UP TO 1,951,431,049 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO BE ALLOTED AND ISSUED PURSUANT TO THE PLACEMENT AGREEMENT ("PROPOSED PLACEMENT SHARES ISSUE"); AND

(B) UP TO 22,766,695 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO BE ALLOTTED AND ISSUED PURSUANT TO THE BRIDGE LOAN AGREEMENT ("PROPOSED CONVERSION SHARES ISSUE").

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1. INTRODUCTION

The board of directors (the "**Board**") of Cacola Furniture International Limited ("**Company**", together with its subsidiaries, the "**Group**") refers to the announcements released by the Company on 2 October 2014 and 17 February 2015 (collectively, "**Fund Raising Announcements**") in relation to the Facility Agreement, Placement Agreement and Bridge Loan Agreement (collectively, the "**Proposed Transactions**") that the Company had entered into with Advance Opportunities Fund ("**AOF**") as the Lender and Subscriber, and Advance Capital Partners Pte Ltd ("**ACP**") as the Arranger.

Unless otherwise defined herein, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Fund Raising Announcements.

2. APPROVAL-IN-PRINCIPLE FROM THE SGX

The Board is pleased to announce that the Company has on, 13 March 2015, obtained the in-principle approval ("**Approval-in-principle**") from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in respect of the listing and quotation of the new ordinary shares ("**New Shares**") to be issued pursuant to or in connection with the Placement Agreement and Bridge Loan Agreement.

The Approval-in-principle is subject to the following conditions:

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

(b) the approval of the shareholders ("**Shareholders**") for the Proposed Placement Shares Issue and the Proposed Conversion Shares Issue;

(c) announcement of the conditions under which the price of the Conversion Shares may be adjusted;

(d) a written undertaking from the Company that it will comply with Listing Rule 704(30) and Listing Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Proposed Placement Shares Issue and Proposed Conversion Shares Issue 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;

(e) a written confirmation from the Company that it will not place the New Shares to persons prohibited under Rule 812(1) of the Listing Manual;

(f) a written confirmation from the Company that the terms of the Facility and the convertible Bridge Loan comply with Listing Rule 829(1);

(g) a written undertaking from the Company to announce any adjustment made pursuant to Listing Rule 829(1);

(h) a written undertaking from the Company that it will comply with Listing Rule 831;

(i) the disclosure of the maximum number of underlying shares that may be issued under the Bridge Loan Agreement and Facility/Placement Agreement in compliance with Listing Rule 832(1); and

(j) the disclosure of the opinion of the Board on the rationale of the commission and fees payable on the Facility and the Board's view on whether such payments are in the interest of the Company.

Please note that the Approval-in-principle is not to be taken as an indication of the merits of the Proposed Placement Shares Issue, the Proposed Conversion Shares Issue, the New Shares, the Company and/or its subsidiaries. The Company will proceed to satisfy the conditions of the Approval-in-principle and provide the relevant disclosures, including in respect of conditions (h) and (i), in the circular ("**Circular**") to be issued to the Shareholders for the purposes of seeking the Shareholders' approval on the Proposed Transactions.

3. UPDATE ON THE PROPOSED REVERSE TAKEOVER

Under the conditional sale and purchase agreements in connection with the proposed acquisition by the Company of the entire equity interest of Goyes Agri-Food Investment Ltd from the vendor, Sharp Years Venture Limited ("**Proposed Reverse Takeover**") as announced by the Company on 10 April 2014 and 14 January 2015, a cash amount of RMB250 million is payable by the Company as part consideration to the vendor. The Approval-in-principle represents an important milestone for the Company as the Company is looking to raise the necessary funds. It is a condition precedent of the Proposed Reverse Takeover that the clearance of the SGX-ST and the Shareholders' be obtained in respect of the fund raising activities (which includes the Facility Agreement and the Placement Agreement). The Company is in the midst of undertaking the preparation process for the Proposed Reverse Takeover, and will continue to update the Shareholders in due course.

4. EXTRAORDINARY GENERAL MEETING

The Company will be convening an extraordinary general meeting ("**EGM**") to seek the approval of Shareholders for, *inter alia*, the Proposed Transactions. The Circular setting out information on, *inter alia*, the Proposed Transactions, and enclosing the notice of EGM, will be despatched to Shareholders in due course.

5. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their Shares. The Proposed Transactions are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that all or any of the Proposed Transactions will be completed or that no further changes will be made to the terms thereof. The Company will make further announcements on the Proposed Transactions as appropriate or when there are further developments on the same. 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.

6. RESPONSIBILITY STATEMENT

The Directors (including those 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 are 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.

BY ORDER OF THE BOARD
CACOLA FURNITURE INTERNATIONAL LIMITED

ZHOU ZHUO LIN
CHIEF EXECUTIVE OFFICER
16 March 2015