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

RESPONSE TO SGX'S QUERIES ON THE RESIGNATION OF EXECUTIVE DIRECTOR AND CHAIRMAN ON 11 APRIL 2017

The Board of Directors (the "**Board**" or the "**Directors**") of Cacola Furniture International Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the Company's announcement on 11 April 2017 in relation to the Resignation of Executive Chairman and Director, Mr. Chow Tat Ming Henry ("**Mr. Chow**").

The Singapore Exchange Securities Trading Limited ("**SGX**") has on 13 April 2017 requested the Company to provide further information in respect of the resignation of Mr Chow. The queries by the SGX and the Company's answers are set out below.

SGX Queries:

1) **We refer to the Company's 11 April 2017 Announcement on the Resignation of Executive Director and Chairman, Mr. Chow Tat Ming Henry ("Mr. Chow"). Please:-**

   i) **Explain how Mr Chow has fulfilled his fiduciary duties and acted in the best interests of the Company and its shareholders by resigning, instead of waiting until the delisting of the Company, which is imminent;**
   ii) **Provide updates on whether Mr Chow, as a controlling shareholder of the Company, is in the progress of providing an exit offer;**
   iii) **Elaborate specifically on Mr Chow's "other commitments" that led to his resignations at this point in time even though he is aware that the Company is just about to be delisted shortly. Were there any additional responsibilities that he took on recently? If yes, please provide details of these additional responsibilities and the dates that these commitments were taken on; and**
   iv) **Steps taken by the Company to retain Mr Chow until the completion of the exit offer.**

Company's Response : (i)

Mr. Chow was responsible for charting and implementing new business strategies and setting an innovative direction for the future of the Group. Please refer to the Company's annual report in relation to the responsibilities of the Chairman

Mr. Chow had always acted in the best interest of the Company. He spearheaded a RTO exercise in April 2014 in an attempt to rejuvenate the growth path of the Company. The RTO transaction process had taken excessively long and finally the asset decided to terminate the transaction on account that after eighteen months, there was no reply from the regulator. That eighteen months comprised a big portion of the first twenty-four months of the watch-list extension period.

After that, another eight months were used to restructure the Company to clear most debt that had accumulated through the failed RTO exercise.

(ii)

As at the date of this announcement, there is no exit offer.

(iii)

Mr. Chow had indicated personal and other work commitments as his reason for resignation. Please refer to the relevant announcement in relation to Mr. Chow's resignation.

(iv)

Currently the Company does not have any polices or internal control that requires the Company to take steps in retaining services of a person who chooses to resign at his or her own accord.

BY ORDER OF THE BOARD

ZHOU MIN ZONG
CHIEF EXECUTIVE OFFICER
19 April 2017