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

MEMORANDUM OF UNDERSTANDING

The Board of Directors (the "**Board**") of Cacola Furniture International Limited (the "**Company**") refers to the announcements made by the Company on 18 April 2016 and 17 June 2016 on the memorandum of understanding ("**MOU**") entered into with BH Investments Ltd (a company incorporated in the British Virgin Islands) ("**Vendor**") to acquire all the subsidiaries of the BH Investments Ltd ("**Proposed Acquisition**").

The Board would like to provide an update on the MOU and inform the Company's shareholders that the Company and the Vendor have agreed to extend the time to negotiate and sign a definitive agreement for the Proposed Acquisition to 31 August 2016 ("**Definitive Agreement**").

Shareholders are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that a Definitive Agreement will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that as set out in the MOU, or the Proposed Acquisition will be undertaken at all. 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 advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

ZHOU MIN ZONG
CHIEF EXECUTIVE OFFICER
1 August 2016