

IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICE DIVISION

0117
CAUSE NO. FSD OF 2016

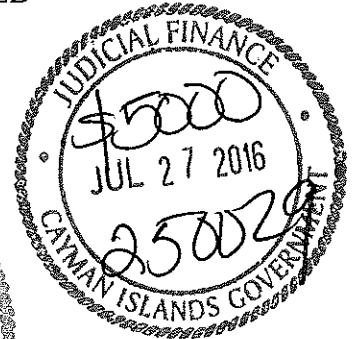
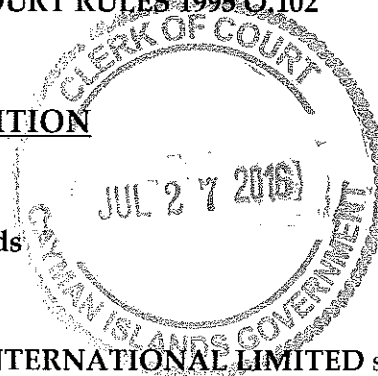
IN THE MATTER OF CACOLA FURNITURE INTERNATIONAL LIMITED

AND IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF THE GRAND COURT RULES 1995 O.102



PETITION



TO: The Grand Court of the Cayman Islands

THE PETITION of CACOLA FURNITURE INTERNATIONAL LIMITED shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2013 Revision) (the "Companies Law") confirming a reduction of the share capital of your Petitioner, Cacola Furniture International Limited (the "Company").
2. The Company was incorporated under the Companies Law on 5 January 2007 and registered in the Cayman Islands as an exempted company with registration number CT-179492.
3. The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

4. As at the date of incorporation of the Company on 5 January 2007, its authorised share capital was HKD100,000 divided into 1,000,000 shares with a par value of HKD0.10 each (the "Shares").
5. By way of unanimous written resolution of the then shareholders of the Company date 14 September 2007, the Company increased its authorised share capital to HKD100,000,000 divided into 1,000,000,000 Shares. .
6. The Shares are listed on The Singapore Exchange Securities Trading Limited (the "Stock Exchange").
7. Over the years, the Company has allotted and issued ordinary shares, being the only class of shares of the Company. As at the date of this Petition, the authorised share capital of the Company is HKD100,000,000 divided into 1,000,000,000 Shares of which 709,013,304 have been issued and fully paid-up.
8. The objects for which the Company was established are unrestricted.
9. The Company is an investment holding company. Its subsidiaries design, manufacture and distribute a range of home and office furniture. The operations of the Company's subsidiaries are principally located in Changlang Avenue, Changping Town, Dongguan City Guangdong Province PRC 523577. Should the Court require further information in respect of the Company, its website is at www.cacola.com.
10. The Articles of Association of the Company provide, *inter alia*, as follows:

Article 4 "The Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its memorandum of association to:

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Law), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such

preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

- (e) change the currency denomination of its share capital;
- (f) make provision for the issue and allotment of shares which did not carry any voting rights; and
- (g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled."

Article 6 "The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its share capital or any share premium account or any capital redemption reserve or other undistributable reserve in any manner permitted by the Law."

11. By special resolution of the Company (the "Special Resolution") duly passed in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 13 April 2015 (the "Extraordinary General Meeting"), it was resolved:

"THAT conditional upon (a) an order being made by the Grand Court of the Cayman Islands (the "Court") confirming the Proposed Capital Reduction (as defined below); (b) the registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Proposed Capital Reduction and the Minute approved by the Court; (c) compliance with any conditions as may be imposed by the Court in relation to the Proposed Capital Reduction; (d) compliance with all relevant legal procedures and

requirements under the laws of the Cayman Islands and Singapore (if any) to effect the Proposed Capital Reorganisation (including the Proposed Capital Reduction); and (e) the receipt of all necessary approvals (if any) from the regulatory authorities, including, but not limited to, the SGX-ST, as may be required in respect of the transactions contemplated by the Proposed Capital Reorganisation, including the Proposed Capital Reduction.

upon the date (the "Effective Date") on which the aforesaid conditions are fulfilled:

- a. the issued and paid-up of the Company be reduced by the cancellation of the paid-up share capital of the Company to the extent of HKD0.09 on each Share with a par value of HKD0.10 per Share in issue on the Effective Date (the "Proposed Capital Reduction") so that each issued Share with a par value of HKD0.10 shall be treated as one fully paid-up share with a par value of HKD0.01 in the capital of the Company as at the Effective Date and any liability of the holders of such Shares to make any further contribution to the share capital of the Company on such Share shall be treated as satisfied;
- b. subject to and forthwith upon the Proposed Capital Reduction taking effect, all the authorised but unissued Shares with a par value of HKD0.10 each in the capital of the Company (which shall include the authorised but unissued Shares resulting from the Proposed Capital Reduction) be cancelled and the authorised share capital of the Company of HKD100,000,000 be diminished by such amount representing the amount of Shares so cancelled and, forthwith upon such cancellation, the authorised share capital of the Company be increased to HKD200,000,000 by the creation of such number of shares with a par value of HKD0.01 each in the capital of the Company as shall represent the difference between 20,000,000,000 shares with a par value of HKD0.01 each and the number

of shares with a par value of HKD0.01 in issue after the Proposed Capital Reduction;

- c. subject to and forthwith upon the Proposed Capital Reduction taking effect, the credit amount arising from the Proposed Capital Reduction be applied to a distributable reserve account of the Company where it may be utilised by the Directors of the Company in accordance with the Memorandum and Articles of the Company and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands; and
- d. the Directors of the Company be and are (or any one of them be and is) hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any documents which they (or he) in their (or his) absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this special resolution and to exercise such discretion in connection with, relating to or arising from the Proposed Capital Reorganisation and/ or the matters contemplated therein or in these resolutions, with such modifications thereto (if any as they (or he) may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Capital Reorganisation.

12. The results of the vote on a show of hands of the Special Resolution by the members of the Company present and voting in person or by corporate representatives or by proxy at the Extraordinary General Meeting was as set out in the table below:

	Number of Shares	For	Against
Total / Percentage of total number of votes cast	25,332,617	100%	0.00%

The members present and voting in person or by corporate representative or by proxy, representing not less than three-fourths of the votes cast, voted to approve the Special Resolution and the chairman of the Extraordinary General Meeting declared the Special Resolution was duly passed in accordance with the Articles of Association of the Company.

13. The Proposed Capital Reduction (as defined in the Special Resolution) does not involve either the diminution of any liability in respect of unpaid capital and the Company has no intention to make any payment of paid up capital to any shareholder. Furthermore, the proposed Capital Reduction (as defined in the Special Resolution) will not alter the underlying assets, business operations, management or financial position of the Company nor will it affect the proportionate interests of the shareholders of the Company except for the payment of related financial, legal and publication expenses.

14. The form of Minute proposed to be registered is as follows:

“By virtue of a special resolution passed on 13 April 2015 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [] 2016: the issued and paid-up share capital of the Company be reduced from HKD0.10 per issued and paid-up existing share to HKD0.01 per existing new share (the “Capital Reduction”) by the cancellation of the paid-up share capital of the Company to the extent of HKD0.09 on each share with a par value of HKD0.10 per share in issue on the Effective Date so that each issued share with a par value of HKD0.10 shall be treated as one fully paid-up share with a par value of HKD0.01 in the capital of the Company as at the Effective Date. At the date of the registration of this Minute, the authorised share capital of the Company is HKD200,000,000 divided into 20,000,000,000 shares with a par value of HKD0.01 each and the issued and paid-up capital of the Company is HKD7,090,133.04 divided into 709,013,304 shares with a par value of HKD0.01 each.”

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 11 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

Dated this 27 day of July 2016
Filed this day of 2016



Conyers Dill & Pearman
Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on CACOLA FURNITURE INTERNATIONAL LIMITED, at its registered office located at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Notice of Hearing

This Petition having been presented to the Court on the _____ day of _____ 2016 will be heard at the Law Courts, George Town, Grand Cayman on the ____ day of _____, 2016 at _____ am/pm or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its Attorneys, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.