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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Cacola Furniture International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") was placed on the watch-list pursuant to Rule 1311 of the SGX Listing Manual on 5 March 2014. Pursuant to Rule 1313(2) of the SGX Listing Manual, the board of Directors (the "**Board**") of the Company wishes to provide the update below in respect of the first quarter ended 31 March 2016.

Financial Position

Please refer to the announcement on 2 May 2016 of the unaudited financial statements of the Group for the first quarter ended 31 March 2016, for an update on the Group's financial position as at 31 March 2016.

Material Development and Future Direction

The Company had entered into a Binding MOU with GR Business Holdings Limited on 14 December 2015 to acquire 3 gold mines; Geghi Gold LLC, Vayk Gold LOC and Vardani Zartong Ltd in Armenia. However, the MOU had lapsed and the Company and the vendor failed to reach a definitive agreement in relation to the Proposed Acquisition.

The Company then entered into a memorandum of understanding with a prominent Singapore healthcare provider BH Investments Ltd ("vendor" or "SPV" vendor) on 18 April 2016 to acquire all the subsidiaries of the SPV ("SPV Group"). The business of the SPV Group shall comprise three key medical services focused on medical conditions related to ageing. These are (a) medi-aesthetics; (b) medical wellness and specialist services including dental and eye care; and (c) innovative diagnostics for health and wellness screening. The SPV Group will own and operate medi-aesthetics clinics, an eye centre, dental clinics and wellness and specialist clinics.

The Board would like to inform shareholders that it will continue to seek other potential opportunities and proposals that will enhance its financial position and provide a basis to support its application to the SGX-ST for the extension of time to be removed from the Watch-List, and subsequent removal from the Watch-List.

BY ORDER OF THE BOARD

ZHOU MIN ZONG
CHIEF EXECUTIVE OFFICER

27 May 2016