POSSIBLE OFFER ANNOUNCEMENT
by

SAC CAPITAL PRIVATE LIMITED
(Company Registration No. 200401542N)
(Incorporated in the Republic of Singapore)

for and on behalf of

IDEAL HOMES INTERNATIONAL LIMITED
(Company Registration No. 2278786)
(Incorporated in Hong Kong)

to acquire all the issued and paid-up ordinary shares in the capital of

HTL INTERNATIONAL HOLDINGS LIMITED
(Company Registration No. 198904162H)
(Incorporated in the Republic of Singapore)

BY WAY OF A PROPOSED SCHEME OF ARRANGEMENT

ANNOUNCEMENT

SUPPLEMENTAL AGREEMENT TO ACQUISITION AGREEMENT

1. INTRODUCTION

SAC Capital Private Limited refers to the announcement dated 7 January 2016 (the "**Possible Offer Announcement**") pursuant to which it was announced for and on behalf of Ideal Homes International Limited (the "**Offeror**"), a wholly owned subsidiary of Guangdong Yihua Timber Industry Co., Ltd. ("**Yihua Timber**", and together with its subsidiaries, the "**Yihua Group**") that, subject to the completion of a due diligence exercise and fulfilment or waiver of the Pre-Conditions, the Offeror intends to enter into the Scheme Implementation Agreement to acquire all the issued and paid-up ordinary shares (excluding treasury shares but including shares issued and paid-up upon valid exercise of Share Options) in the capital of HTL International Holdings Limited ("**HTL**") (the "**Shares**") by way of a scheme of arrangement (the "**Proposed Scheme**"), pursuant to Section 210 of the Companies Act (Chapter 50) of Singapore (the "**Companies Act**") and the Singapore Code on Take-overs and Mergers (the "**Code**") (the "**Proposed Acquisition**"), and the announcement dated 25 January 2016 in relation to the announcements released by Yihua Timber on the website of the Shanghai Stock Exchange.

All capitalised terms used and not defined herein shall have the same meanings as ascribed to them in the Possible Offer Announcement.

2. SUPPLEMENTAL AGREEMENT

Further to the Acquisition Agreement, Yihua Timber has on 23 February 2016 entered into a supplemental agreement (the "**Supplemental Agreement**") with HTL's controlling shareholder, BEM Holdings Pte Ltd, Phua Yong Tat, Phua Yong Pin and Phua Yong Sin (together with Yihua Timber, collectively the "**Parties**") upon the completion of a due diligence exercise undertaken by Yihua Timber on HTL in connection with the Proposed Acquisition.

Under the Supplemental Agreement, the Parties confirm / agree:

(i) that the final transaction price of the Proposed Acquisition shall be **S$1.00** for each Share;

(ii) to adjust the period of the First Financial Period, the Second Financial Period and the Third Financial Period to period from 1 August 2016 to 31 July 2017, 1 August 2017 to 31 July 2018, and 1 August 2018 to 31 July 2019 respectively; and

(iii) that the execution of the Supplemental Agreement later than 20 February 2016 shall not be a breach of the Acquisition Agreement.

3. PRE-CONDITIONS TO THE MAKING OF THE OFFER

As set out in the Possible Offer Announcement, only upon receipt of the approvals below and the signing of the Scheme Implementation Agreement will the Offeror be able to make an announcement of its firm intention to acquire all of the Shares, which acquisition shall take place via the Proposed Scheme.

The execution of the Scheme Implementation Agreement between the Offeror and HTL is subject to prior approvals being obtained from certain bodies and authorities (the "**Pre-Conditions**"). As of the date of this announcement, the Offeror is aware that the following Pre-Conditions are required:

(i) the Proposed Acquisition being approved by the shareholders of Yihua Timber in a general meeting;

(ii) the Proposed Acquisition being sanctioned by National Development and Reform Commission of Guangdong Province;

(iii) the Proposed Acquisition being approved by Shantou Administration of Foreign Exchange; and

(iv) the Proposed Acquisition being approved by Department of Commerce of Guangdong Province.

The firm intention to acquire all of the Shares will not be made unless and until the Pre-Conditions are satisfied or waived, no later than 31 July 2016 or such later date as the Offeror may determine in consultation with the Securities Industry Council (the "SIC"), and the signing of the Scheme Implementation Agreement subsequent to the receipt or waiver of the Pre-Conditions, which acquisition shall take place via the Proposed Scheme.

As the Proposed Acquisition and Proposed Scheme are subject to regulatory approvals and conditions precedent being fulfilled, there is no assurance that the Proposed Scheme and hence the Proposed Acquisition will be successfully completed.

Shareholders and investors must exercise caution when dealing in the Shares and to refrain from taking any action in respect of their investment in HTL without seeking prior professional advice.

4. ANNOUNCEMENTS ON SHANGHAI STOCK EXCHANGE

This announcement is released in conjunction with the announcements released by Yihua Timber on the Shanghai Stock Exchange ("**SSE**"). Shareholders should refer to the website of the SSE for the announcements released by Yihua Timber: http://www.sse.com.cn/assortment/stock/list/info/announcement/index.shtml?productId=600978.

5. DIRECTOR'S RESPONSIBILITY STATEMENT

The sole director of the Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate, that no material facts have been omitted from this announcement, and that he accepts responsibility accordingly. Where any information has been extracted from published or otherwise publicly available sources, the sole responsibility of the director of the Offeror has been to ensure that such information has been accurately and correctly extracted from such sources and/or reproduced in this announcement in its proper form and context.

Issued by
SAC CAPITAL PRIVATE LIMITED

For and on behalf of
IDEAL HOMES INTERNATIONAL LIMITED
24 February 2016

Forward-Looking Statements

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect Yihua Timber's or the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither Yihua Timber, the Offeror nor SAC Capital undertakes any obligation to update publicly or revise any forward-looking statements.

Any queries relating to this announcement should be directed during office hours to:

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