HTL INTERNATIONAL HOLDINGS LIMITED

UPDATE ANNOUNCEMENT

On 27 October 2015, the Company announced that it had received a notification from its controlling shareholder, BEM Holdings Pte Ltd ("BEM") that it had entered into a memorandum of understanding with Guangdong Yihua Timber Industry Co., Ltd ("Yihua") in relation to potential corporate transaction(s) which may be assets/shares related, aimed at realising value for all shareholders of the Company.

The Company wishes to inform shareholders that it has now received a further notification from BEM that it has today entered into a framework agreement ("Framework Agreement") with Yihua.

BEM has informed the Company as follows:

(a) Under the Framework Agreement, Yihua may possibly acquire all the shares of the Company (including those owned by BEM) by way of a scheme of arrangement under the Companies Act (Cap. 50) via its wholly-owned subsidiary incorporated in Hong Kong, Ideal Homes International Limited, and delist the Company from the Singapore Exchange Securities Trading Limited ("SGX-ST").

(b) The possible acquisition is conditional upon:

(i) the approval of shareholders of Yihua at a general meeting and all necessary approvals from all relevant PRC regulatory authorities being obtained in relation to the possible acquisition; and

(ii) the approval of shareholders of the Company and all approvals required under Singapore laws and regulations being obtained in relation to the possible acquisition (including the approvals of the Securities Industry Council and SGX-ST).

(c) The transaction price for the possible acquisition is subject to negotiations, based on the due diligence to be carried out by Yihua and by reference to evaluation of listed companies in the same industry.

(d) The parties target to sign the relevant conditional definitive transaction agreement(s) in connection with the possible acquisition by 5 January 2016 (or such date as mutually extended), and during such period, BEM has granted exclusivity to Yihua on such possible acquisition.

(e) The Framework Agreement has been entered into to enable Yihua to make its relevant submissions to the Shanghai Stock Exchange ("SSE") in accordance with the rules of the SSE in connection with the possible acquisition.

BEM has reiterated that the discussions between parties remain ongoing, and that no definitive transaction agreement(s) in relation to the possible acquisition has/have been executed. There is also no assurance whatsoever that the possible acquisition will eventually materialise, as key commercial terms are still being discussed.

BEM has further stated that it will continue to keep the Company updated on material developments, as and when appropriate, so that the Company can in turn apprise its shareholders in a timely manner.

Pending further updates from BEM, the Board of Directors advises shareholders to continue to exercise caution when dealing in the shares of the Company, and to refrain from taking any action in respect of their investment in the Company without seeking prior professional advice.

BY ORDER OF THE BOARD

Jacqueline Loke
Company Secretary
Singapore, 18 November 2015