HTL INTERNATIONAL HOLDINGS LIMITED

LETTER FROM COMPANY TO GUANGDONG YIHUA TIMBER INDUSTRY CO., LTD. AND IDEAL HOMES INTERNATIONAL LIMITED IN RELATION TO SCHEME IMPLEMENTATION AGREEMENT

The Directors of HTL International Holdings Limited ("**Company**") refers to the announcements dated 7 January 2016, 25 January 2016, 24 February 2016, 14 March 2016, 13 April 2016 and 20 April 2016 by SAC Capital Private Limited on behalf of Ideal Homes International Limited ("**Offeror**", being a wholly-owned subsidiary of Guangdong Yihua Timber Industry Co., Ltd. ("**Yihua**")) in relation to the proposed scheme of arrangement ("**Proposed Scheme**") by the Offeror to acquire all the shares of the Company pursuant to Section 210 of the Singapore Companies Act (collectively "**Announcements**")

The Company has today informed Yihua and the Offeror that:

(a) subject to and upon satisfaction of all the pre-conditions set out in paragraph 4 of the Announcement dated 7 January 2016 by the Offeror ("**Pre-Conditions**"), the Company is agreeable to enter into the scheme implementation agreement to implement the Proposed Scheme ("**Scheme Implementation Agreement**"), in the form agreed between Yihua and the Company's controlling shareholder, BEM Holdings Pte Ltd, and provided for in their undertaking agreement dated 7 January 2016; and

(b) the Directors do not currently express any opinion or recommendation in relation to the terms of the Proposed Scheme, pending the engagement of an independent financial adviser by the Company to opine on the same in due course. The engagement of the independent financial adviser will be made subsequent to fulfillment of all the Pre-Conditions by the Offeror and the Company and the Offeror entering into the Scheme Implementation Agreement.

Shareholders may refer to the Offeror's Announcement of 7 January 2016 for the material terms of the Proposed Scheme and the Offeror's Announcements of 14 March 2016, 13 April 2016 and 20 April 2016 on the ongoing status of fulfillment of the Pre-Conditions by the Offeror.

The Directors (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that there are no material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

BY ORDER OF THE BOARD

Jacqueline Loke
Company Secretary
Singapore, 6 May 2016