

IDEAL HOMES INTERNATIONAL LIMITED

(Company Registration No. 2278786)
(Incorporated in Hong Kong)

HTL INTERNATIONAL HOLDINGS LIMITED

(Company Registration No. 198904162H)
(Incorporated in the Republic of Singapore)

JOINT ANNOUNCEMENT

**PROPOSED ACQUISITION BY IDEAL HOMES INTERNATIONAL LIMITED OF
ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF
HTL INTERNATIONAL HOLDINGS LIMITED BY WAY OF A SCHEME OF ARRANGEMENT****ENTRY INTO SCHEME IMPLEMENTATION AGREEMENT**

1. INTRODUCTION

1.1 This is a joint announcement by:

- (a) Ideal Homes International Limited (“**Offeror**”), a wholly owned subsidiary of Yihua Lifestyle Technology Co., Ltd. (formerly known as Guangdong Yihua Timber Industry Co., Ltd.) (“**Yihua**”, and together with its subsidiaries, “**Yihua Group**”); and
- (b) HTL International Holdings Limited (“**Company**”, and together with its subsidiaries, “**HTL Group**”)

subsequent to:

- (i) the announcements dated 7 January 2016, 25 January 2016, 24 February 2016, 14 March 2016, 13 April 2016, 20 April 2016 and 20 June 2016 by SAC Capital Private Limited for and on behalf of the Offeror; and
- (ii) the Company's announcements dated 7 January 2016, 28 January 2016 and 6 May 2016,

in relation to the proposed scheme of arrangement (“**Scheme**”) by the Offeror to acquire all the issued and paid-up ordinary shares (excluding treasury shares) in the capital of the Company pursuant to Section 210 of the Companies Act (Chapter 50) of Singapore (“**Companies Act**”) and the Singapore Code on Take-overs and Mergers (“**Code**”) (“**Acquisition**”).

1.2 The Offeror and the Company are pleased to announce that following satisfaction of all the pre-conditions to the signing of the Scheme implementation agreement (“**Scheme Implementation Agreement**”) by the Offeror, they have today entered into the Scheme Implementation Agreement, setting out the terms and conditions on which the Offeror and the Company will implement the Scheme.

2. INFORMATION ON THE COMPANY

2.1 The Company is incorporated in Singapore and listed on the Official List of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The HTL Group manufactures, imports, and exports leather sofas and leather upholstery furniture, and sells and distributes upholstered furniture and home furnishing products. The board of directors of the Company comprise (a) Mr. Lee Kiam Hwee, Kelvin (Independent Chairman); (b) Mr. Phua Yong Pin (Executive Group Chairman); (c) Mr. Phua Yong Sin (Executive Deputy Group Chairman, and Mr. Phua Boon Huat as his alternate); (d) Mr. Phua Yong Tat (Executive Group Managing Director); (e) Dr Wee Keng Neo, Lynda (Independent Director); and (f) Mr. Soh Yew Hock (Independent Director).

2.2 As at the date of this announcement (“**Scheme Announcement Date**”), the issued share capital of the Company comprises 399,753,218 ordinary shares (“**Shares**”) (excluding 16,810,112 treasury Shares), and there are no outstanding options or convertibles exercisable into Shares.

3. INFORMATION ON THE YIHUA GROUP AND THE OFFEROR

3.1 Yihua is incorporated in the People’s Republic of China (“**PRC**”) and listed on the Shanghai Stock Exchange (Stock Code: 600978). The Yihua Group is primarily engaged in the manufacture, processing and sale of wooden products (including wooden furniture and wooden floors). It distributes its products within the Chinese domestic market and to overseas markets.

3.2 The single largest shareholder of Yihua is Yihua Enterprise (Group) Limited, an unlisted company incorporated in the PRC, which holds approximately 24.70% of the total number of issued shares of Yihua as of the date of this announcement. The principal business of Yihua Enterprise (Group) Limited is that of wooden furniture, medical and health, real estate and development and strategic investment. Mr. Liu Shaoxi, Chairman of Yihua, has a direct interest in 0.9% of the total number of issued shares of Yihua, and 80% of the total issued shares of Yihua Enterprise (Group) Limited, as of the date of this announcement. The directors of Yihua comprise (a) Mr. Liu Shaoxi, (b) Mr. Liu Zhuang Chao, (c) Mr. Wan Shun Wu, (d) Mr. Liu Wei Hong, (e) Mr. Liu Guo Wu, (f) Mr. Wu Yi Qiang, (g) Mr. Zhang Gen Fu, (h) Mr. Wang Ke and (i) Mr. Huang Guo An.

3.3 The Offeror is a company incorporated in Hong Kong, and is a wholly owned subsidiary of Yihua. Mr. Wu Meng Xiang is the sole director of the Offeror.

4. THE SCHEME

4.1 The Acquisition will be effected by way of the Scheme pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Scheme Implementation Agreement.

4.2 Under the Scheme, all the Shares will be transferred to the Offeror, (i) fully paid, (ii) free from all charges, mortgages, liens, hypothecations, judgment, encumbrances, easements, rights of pre-emption, security, title retention, preferential right, trust arrangement and other security interests or any other agreements or arrangements having a commercial effect analogous to the conferring of security or a similar right in favour of any person and (iii) together with all rights, benefits and entitlements attaching thereto as of the date of the Scheme Implementation Agreement, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the date of the Scheme Implementation Agreement.

4.3 **The Company does not intend to declare any such dividends, rights and other distributions, pending the completion or termination of the Scheme (as the case may be), unless otherwise agreed with the Offeror.**

4.4 In consideration of the transfer of such Shares, the Offeror shall pay the Scheme consideration of **S\$1.00** in cash for each Share (“**Scheme Consideration**”) held by the shareholders of the Company (“**Shareholders**”) as of the record date (“**Record Date**”).

4.5 Record Date shall mean the business day (“**Business Day**”, being a day other than Saturday, Sunday or public holiday on which commercial banks are open for business in Singapore) immediately preceding the date the Scheme becomes effective in accordance with its terms (“**Effective Date**”).

4.6 Upon the Scheme becoming effective and binding, all the Shares will be transferred to the Offeror.

4.7 The Scheme is conditional upon the satisfaction (or where applicable, waiver) of the conditions precedent set out in the schedule to this announcement ("**Conditions Precedent**") by no later than **31 October 2016** (or such other date as the Company and the Offeror may agree in writing) ("**Long Stop Date**").

4.8 As of the date of this announcement:

- (a) the filing of the required notification made under 15 U.S. Code § 18a – "Premerger notification and waiting period" and the associated rules has been made, and the waiting period described therein has expired; and
- (b) the approval from the Investment Commission of the Ministry of the Economic Affairs of Taiwan, relating to the transactions contemplated hereby, including filings, approvals or clearances for foreign/PRC investments under the Act Governing Relations between the People of the Taiwan Area and the Mainland Area, has been obtained and has not been revoked.

Accordingly, the Company and the Offeror wish to announce that as of the date of this announcement, the Conditions Precedent set out in paragraphs 9 and 10 of the schedule to this announcement have been satisfied.

4.9 Pursuant to Section 210(3) of the Companies Act, the Scheme is subject to, *inter alia*:

- (a) approval by a majority in number of Shareholders representing at least 75% in value of the Shares, present and voting either in person or by proxy at the Scheme meeting of Shareholders to be convened ("**Scheme Meeting**"); and
- (b) the sanction of the Scheme by the High Court of Singapore ("**Court**").

4.10 Subject to and upon the Scheme becoming effective and binding, all the Shares will be owned by the Offeror. The Company will thereafter be delisted from the Official List of the SGX-ST ("**Delisting**") on approval being received from the SGX-ST.

5. TERMINATION

5.1 Shareholders should note that in the event any Condition Precedent is not satisfied (or where applicable, waived) by the Long Stop Date, the Scheme will terminate. In such event, the Scheme Implementation Agreement shall terminate (except for certain surviving provisions) and there will be no liability on the part of either party.

6. UNDERTAKINGS AND COMPENSATION ARRANGEMENT

6.1 As previously announced by the Offeror on 7 January 2016, pursuant to an undertaking agreement made between Yihua and BEM Holdings Pte Ltd ("**BEM**") ("**Undertaking Agreement**") and acquisition agreement made between Yihua, BEM, Phua Yong Tat, Phua Yong Pin and Phua Yong Sin (collectively "**Phua Personnel**") ("**Acquisition Agreement**"), each dated 7 January 2016, BEM (being the controlling Shareholder of the Company) has undertaken to Yihua to, *inter alia*, vote and to procure to be voted in favour of the Scheme at the Scheme Meeting 201,676,830 Shares owned by BEM and its concert parties ("**Undertaking Shareholders**"), comprising approximately 50.45% of the total number of issued Shares (excluding treasury Shares) as at the Scheme Announcement Date ("**Undertakings**").

- 6.2 The list of Undertaking Shareholders and the number of Shares held by each Undertaking Shareholder in the Company as of the Scheme Announcement Date is as follows:

Shareholder	Number of Shares	%⁽¹⁾
BEM Holdings Pte Ltd ⁽²⁾	177,029,010	44.28
BEM Investment Pte Ltd ⁽²⁾	17,569,520	4.40
Phua Yong Pin	204,300	0.05
Chua Xiu Chin	1,628,000	0.41
Phua Yong Sin	588,000	0.15
Phua Yong Tat	4,142,000	1.04
Lim Yan Siu	296,000	0.07
Phua Bo Wen	146,000	0.04
Phua Jing Hong	48,000	0.01
Phua Boon Huat	26,000	0.01
Total	201,676,830	50.45⁽³⁾

Notes:

- (1) Calculated based on 399,753,218 Shares in issue (excluding 16,810,112 treasury Shares).
- (2) BEM is owned by the Phua Personnel, who are deemed interested in the Shares held by BEM. BEM Investment Pte Ltd is the wholly-owned subsidiary of BEM. The Undertaking Shareholders who are natural persons (other than the Phua Personnel) are family members of the Phua Personnel.
- (3) Discrepancy between the listed amounts and the total thereof is due to rounding.

- 6.3 The Undertakings cease to be binding in the event:

- (a) the Acquisition Agreement is terminated in writing on the basis of consensus (subject to applicable laws and regulations, including the consent of the Securities Industry Council ("**SIC**")); or
- (b) the Conditions Precedent are not satisfied before the Long Stop Date, unless the parties to the Acquisition Agreement agree to extend the Long Stop Date and provided the consent of the SIC is obtained (where necessary).

- 6.4 Pursuant to the Undertaking Agreement and the Acquisition Agreement (as supplemented pursuant to a supplemental agreement dated 23 February 2016 ("**Supplemental Agreement**")), and subject to completion of the Acquisition, BEM has also agreed to compensate and pay to Yihua or the Offeror:

- (a) an amount equivalent to the shortfall if the HTL Group NPAT for the financial period from 1 August 2016 to 31 July 2017 ("**First Financial Period**") is lower than US\$25 million;
- (b) an amount equivalent to the shortfall if the HTL Group NPAT for the financial period from 1 August 2017 to 31 July 2018 ("**Second Financial Period**") is lower than US\$27.5 million; and
- (c) an amount equivalent to the shortfall if the HTL Group NPAT for the financial period from 1 August 2018 to 31 July 2019 ("**Third Financial Period**") is lower than US\$30.25 million,

within 20 Business Days after the audit report is issued by the Qualified Accounting Firm and disclosed on the designated media after the end of each Financial Period ("**Compensation Arrangement**").

- 6.5 In the event any shortfall amount is paid by BEM in the First Financial Period, and the shortfall difference in the HTL Group NPAT in the First Financial Period is made up for in the Second Financial Period, together with achievement of the HTL Group NPAT for the Second Financial Period, the shortfall amount paid by BEM shall be refunded to BEM without any interest, within 20 Business Days after the audit report is issued by the Qualified Accounting Firm and disclosed on the designated media after the end of the Second Financial Period.
- 6.6 In the event any shortfall amount is paid by BEM in the Second Financial Period, and the shortfall difference in the HTL Group NPAT in the Second Financial Period is made up for in the Third Financial Period, together with achievement of the HTL Group NPAT for the Third Financial Period, the shortfall amount paid by BEM shall be refunded to BEM without any interest, within 20 Business Days after the audit report is issued by the Qualified Accounting Firm and disclosed on the designated media after the end of the Third Financial Period.
- 6.7 In the event the HTL Group NPAT for the First Financial Period, Second Financial Period and Third Financial Period shall collectively amount to at least US\$82.75 million, any shortfall amount paid by BEM to Yihua in respect of the First Financial Period and/or Second Financial Period and which have not been recovered pursuant to paragraphs 6.5 or 6.6 shall be refunded to BEM without any interest within 20 Business Days after the audit report is issued by the Qualified Accounting Firm and disclosed on the designated media after the end of the Third Financial Period.
- 6.8 Notwithstanding any provision in the Undertaking Agreement, it is agreed that where any Force Majeure Event arise within the First Financial Period, Second Financial Period and/or Third Financial Period (each a **“Financial Period”**), which has a material impact on the financial performance of the HTL Group during a Financial Period (ie, a reduction in the HTL Group NPAT representing 20% or more of the warranted profit for the relevant Financial Period), Yihua and BEM agree that the Financial Period shall not be taken into account and the next corresponding financial period shall instead be applied to replace such Financial Period. Any Force Majeure Event shall be notified by BEM to Yihua in writing, together with relevant evidence, within three (3) calendar months of conclusion of the Financial Period, if BEM is of the opinion that a Force Majeure Event has occurred. For the avoidance of doubt, the Financial Period shall not be postponed more than once during the Undertaking Period. Any Force Majeure Event falling outside the defined events in paragraph 6.9(c) below shall be subject to the approval of Yihua.
- 6.9 For the purpose of the Undertaking Agreement and the Acquisition Agreement (as supplemented),
- (a) **“Business Day”** means a day (other than Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore;
 - (b) **“Financial Period”** means the First Financial Period, the Second Financial Period or the Third Financial Period, as the case may be; and
 - (c) **“Force Majeure Event”** means any event which are beyond the control of a party and which are unforeseen or if foreseeable are unavoidable and shall include (without limitation) (a) war, invasions, rebellion, revolution, insurrection or civil war; (b) earthquakes, fire, lightning, storms, floods or any other occurrence caused by the operation of the forces of nature; (c) terrorism; (d) outbreak of any epidemic or communicable diseases; or (e) acts of any government in its sovereign capacity or governmental decisions or legislation not in force at the date of the Undertaking Agreement;
 - (d) **“Qualified Accounting Firm”** means an independent accounting firm qualified to engage in business related to securities and futures;
 - (e) **“HTL Group NPAT”** means the net profit after tax of the HTL Group attributable to its shareholders after deduction of non-recurring gains and losses in the consolidated financial statements of the Company made in accordance with PRC accounting

standards and the accounting principles of Yihua for the financial year 2014, as audited by a Qualified Accounting Firm; and

(f) “**Undertaking Period**” means the Financial Periods for which BEM has undertaken the HTL Group NPAT, i.e. the First Financial Period, the Second Financial Period and the Third Financial Period.

6.10 The Compensation Arrangement is given by BEM in its own capacity and not as an agent of the Company or other Shareholders.

6.11 **The Company and its Shareholders are not liable to Yihua in any way in respect of the Compensation Arrangement.**

7. RULINGS FROM THE SECURITIES INDUSTRY COUNCIL

7.1 An application was made by the Offeror to the SIC to seek certain rulings and confirmations in respect of the Scheme. The SIC has ruled on 20 June 2016, *inter alia*, that it:

(a) confirms that it has no objections to the Conditions Precedent;

(b) exempts the Scheme from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:

(i) the common substantial shareholder, if any, of the Offeror and the Company abstain from voting on the Scheme;

(ii) the Offeror and its concert parties abstain from voting on the Scheme;

(iii) the directors of the Company who are also directors of the Offeror, if any, abstain from making a recommendation on the Scheme to the Shareholders;

(iv) the Company appoints an independent financial adviser to advise the Shareholders on the Scheme; and

(v) the Scheme Documents (as defined below in paragraph 12) discloses the names of the Offeror and its concert parties, their current voting rights in the Company as of the latest practicable date and their voting rights in the Company after the Scheme;

(c) confirms that the Compensation Arrangement constitutes a profit forecast under Rule 25 of the Code; and

(d) confirms that the Undertaking Shareholders will not be regarded as acting in concert with the Offeror by virtue of the undertakings to vote in favour of and approve the resolution(s) in relation to the Scheme, and any other matter necessary or proposed to implement the Scheme at the Scheme Meeting, and the Compensation Arrangement, subject to the Offeror and the Undertaking Shareholders, each, providing a written confirmation to the SIC to the effect that each is not acting in concert with the other.

7.2 The SIC’s ruling at paragraph 7.1(b) above is subject to the Scheme Implementation Agreement being executed by 24 June 2016.

7.3 The SIC’s rulings at paragraph 7.1 above may be invalidated should there be material changes to the Conditions Precedent and/or the Prescribed Occurrence (as defined in paragraph 5 of the schedule to this announcement).

8. RATIONALE FOR THE ACQUISITION AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

8.1 Benefit to the Yihua Group

The Offeror believes that the Acquisition will benefit the Yihua Group by enhancing its international influence and status through the HTL Group's overseas track record, and diversify the Yihua Group's product offerings as the HTL Group's upholstered furniture business is complementary to the Yihua Group's wooden furniture and flooring business. The Acquisition will also facilitate the Yihua Group's expansion into overseas markets and provide the Yihua Group with additional sales channels, in furtherance of its strategic plans and development.

8.2 Intentions for the Company

The Offeror intends to delist the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding. The Offeror believes that the privatisation of the Company would provide greater flexibility to the Offeror and key management to promote greater efficiency and competitiveness through changes in strategy or investments.

Save as announced by the Company, the Offeror has no current intention of (a) making material changes to the HTL Group's existing business, (b) re-deploying the HTL Group's fixed assets, or (c) discontinuing the employment of the employees of the HTL Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company. For management continuity, each of the Phua Personnel has agreed to continue their service in the Company for at least 5 years after the Effective Date and will be subject to anti-competition restrictive covenants during their employment with the Company and for a period of two years thereafter.

8.3 Opportunity for Shareholders to realise their investment

The Acquisition represents an opportunity for Shareholders to realise their investments in Shares for 100 per cent. cash consideration at an attractive premium over the market prices of the Shares prior to the undisturbed market prices of the Shares prior to the MOU Announcement Day (as defined in paragraph 9 below) and the Last Market Day (as defined in paragraph 9 below).

The Scheme Consideration represents a premium of 116.0%, 108.3%, 101.2% and 71.5% over the 12-month, 6-month, 3-month and 1-month volume weighted average price of the Shares for the periods leading up to and including the Last Market Day. The Scheme Consideration also represents a premium of approximately 316.7%, 46.0% and 24.2% to the last transacted price per Share prior to the MOU Announcement Day, the Last Market Day and the Scheme Announcement Date respectively.

Furthermore, the Acquisition represents a price-to-net tangible assets multiple of 1.83 times calculated based on the Company's audited net tangible assets per Share of 38.61 U.S. cents (or 54.77 Singapore cents based on the closing exchange rate of US\$1:S\$1.4185 on 31 December 2015) as at 31 December 2015 and a price-to-net tangible assets multiple of 1.86 times calculated based on the Company's unaudited net tangible assets per Share of 39.92 U.S. cents (or 53.83 Singapore cents based on the closing exchange rate of US\$1:S\$1.3484 on 31 March 2016) as at 31 March 2016.

9. FINANCIAL EVALUATION OF THE SCHEME CONSIDERATION

The Scheme Consideration represents the following premia over the historical traded prices of the Shares:

Description	Share Price (\$ ⁽¹⁾)	Premium over Share Price (%)
Last transacted price of the Shares on the SGX-ST on 22 October 2015, being the last market day on which the Shares were traded on the SGX-ST prior to the announcement on the signing of a memorandum of understanding between Yihua and BEM on 27 October 2015 (“ MOU Announcement Day ”)	0.240	316.7
Last transacted price of the Shares on the SGX-ST on 28 December 2015 (“ Last Market Day ”) ⁽²⁾ , being the last market day on which the Shares were traded on the SGX-ST prior to 7 January 2016 (“ Possible Offer Announcement Date ”)	0.685	46.0
Volume weighted average price of the Shares on the SGX-ST (“ VWAP ”) for the one-month period up to and including the Last Market Day	0.583	71.5
VWAP for the three-month period up to and including the Last Market Day	0.497	101.2
VWAP for the six-month period up to and including the Last Market Day	0.480	108.3
VWAP for the twelve-month period up to and including the Last Market Day	0.463	116.0
Last transacted price of the Shares on the SGX-ST on 17 June 2016, being the last market day on which the Shares were traded on the SGX-ST prior to the Scheme Announcement Date ⁽³⁾	0.805	24.2

Source: Bloomberg L.P.

Notes:

- (1) This includes Shares purchased by the Company pursuant to its share buy-back mandate. Share buy-backs for the 12-month and 6-month periods up to and including the Last Market Day amounted to 6,516,800 Shares and 5,137,200 Shares respectively.
- (2) The Company had requested a trading halt on 29 December 2015 and a voluntary suspension of trading in the Shares on 4 January 2016.
- (3) The Company had requested a trading halt on 20 June 2016.

10. CONFIRMATION OF FINANCIAL RESOURCES

SAC Capital Private Limited ("**SAC Capital**"), being the financial adviser to the Offeror in connection with the Acquisition and the Scheme, has confirmed that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable by the Offeror for all the Shares to be acquired by it in the event the Scheme is completed.

11. INDEPENDENT FINANCIAL ADVISER

The directors of the Company who are considered independent and non-interested for purposes of the Scheme ("**Non-Interested Directors**") will be appointing an independent financial adviser ("**IFA**") to advise them for the purpose of making a recommendation to the Shareholders in connection with the Scheme.

12. SCHEME DOCUMENT

The Scheme document to be issued by the Company to the Shareholders ("**Scheme Document**") containing full details of the Scheme (including the formal opinion of the IFA and the recommendation of the Non-Interested Directors) and giving notice of the Scheme Meeting will be despatched in due course.

In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information in the Scheme Document (including the advice of the IFA and the recommendations of the Non-Interested Directors) to be despatched in due course.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

13. OVERSEAS SHAREHOLDERS

The applicability of the Scheme to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction. Shareholders who are not resident in Singapore should keep themselves informed of and observe any applicable restrictions or prohibitions.

Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the Offeror reserves the right not to send such documents to the Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Shareholders (including the overseas Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

Further details in relation to overseas Shareholders will be contained in the Scheme Document.

14. DISCLOSURES

14.1 Company

As at the Scheme Announcement Date, the interests in Shares held by the directors of the Company are set out below:

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	(%) ⁽¹⁾	No. of Shares	(%) ⁽¹⁾
Lee Kiam Hwee, Kelvin	80,000	0.02	-	-
Phua Yong Pin	204,300	0.05	196,226,530 ⁽²⁾	49.09
Phua Yong Sin	588,000	0.15	194,598,530 ⁽³⁾	48.68
Phua Yong Tat	4,142,000	1.04	194,894,530 ⁽⁴⁾	48.75
Soh Yew Hock	-	-	-	-
Dr Wee Keng Neo, Lynda	-	-	-	-
Phua Boon Huat	26,000	0.01	-	-

Notes:

- (1) Based on 399,753,218 issued Shares (excluding 16,810,112 treasury Shares).
- (2) Deemed interest in Shares held by BEM and his spouse, Chua Xu Chin.
- (3) Deemed interest in Shares held by BEM.
- (4) Deemed interest in Shares held by BEM and his spouse, Lim Yan Siu.

Save as set out herein, and otherwise publicly disclosed, no director or substantial Shareholder of the Company has any interest in the Scheme (other than by reason only of being a Shareholder or director of the Company), and there is no service contract with any director or any person proposed to be appointed as a director of the Company in connection with the Scheme.

14.2 Offeror

As at the Scheme Announcement Date, none of the Offeror, Yihua, the directors of the Offeror and Yihua, and SAC Capital:

- (a) owns, controls or has agreed (other than pursuant to the Acquisition Agreement and the Undertaking Agreement) to acquire any (i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, the “**HTL Securities**”);
- (b) has dealt for value in any HTL Securities during the three-month period immediately preceding the Scheme Announcement Date;

- (c) has received any irrevocable undertaking to accept or reject the Acquisition, except for the Undertakings;
- (d) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Proposed Acquisition, save as follows:
 - (i) the Undertakings as contained in the Undertaking Agreement and the Acquisition Agreement; and
 - (ii) the Shares to be acquired by the Offeror pursuant to the Acquisition to be charged in favour of Haitong International Securities Company Limited as security for, *inter alia*, the financing arrangements for the Acquisition; and
- (e) has, in respect of any HTL Securities:
 - (i) granted any security interest to another person, whether through a charge, pledge or otherwise, save as provided for in paragraph 14.2(d)(ii);
 - (ii) borrowed from another person (excluding borrowed securities which have been on-lent or sold); or
 - (iii) lent to another person.

14.3 **Associates**

Associates of the Company and the Offeror (as defined in the Code, and include substantial shareholders) are reminded to disclose their dealings in any securities of the Company and the Offeror under Rule 12 of the Code.

15. **DOCUMENT FOR INSPECTION**

Copies of the following documents will be made available for inspection during normal business hours at the registered office of the Company at 11 Gul Circle, Singapore 629567 from the date of this announcement until the Effective Date:

- (a) the Scheme Implementation Agreement;
- (b) the Undertaking Agreement;
- (c) the Acquisition Agreement; and
- (d) the Supplemental Agreement.

16. **ANNOUNCEMENT ON SHANGHAI STOCK EXCHANGE**

In conjunction with this announcement, an announcement will be released by Yihua on the Shanghai Stock Exchange (“SSE”). Shareholders may also wish to refer to the website of the SSE for the announcements released by Yihua:

<http://www.sse.com.cn/assortment/stock/list/info/announcement/index.shtml?productId=600978>

17. DIRECTORS' RESPONSIBILITY STATEMENTS

17.1 Company

The directors of the Company (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 which relate to the HTL Group (excluding any information relating to the Yihua Group or any opinion expressed by the Yihua Group) have been arrived at after due and careful consideration and after having made all reasonable inquiries, to the best of their knowledge, are fair and accurate, and that no material facts which relate to the HTL Group have been omitted from 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 of the Company has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources and/or reproduced in this announcement in its proper form and context. The directors of the Company do not accept any responsibility for any information relating to or any opinion expressed by the Yihua Group.

17.2 Offeror

The sole director of the Offeror and the directors of Yihua (being the ultimate parent company of the Offeror) (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 (excluding any information relating to the HTL Group or any opinion expressed by the HTL Group) have been arrived at after due and careful consideration and after having made all reasonable inquiries, to the best of their knowledge, are fair and accurate, and that no material facts which relate to the Offeror and/or the Yihua Group have been omitted from 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 of the Offeror and/or Yihua has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources and/or reproduced in this announcement in its proper form and context. The directors of the Offeror and/or Yihua do not accept any responsibility for any information relating to or any opinion expressed by the HTL Group.

22 June 2016

BY ORDER OF THE BOARD

IDEAL HOMES INTERNATIONAL LIMITED

BY ORDER OF THE BOARD

HTL INTERNATIONAL HOLDINGS LIMITED

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 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 none of Yihua, the Offeror, SAC Capital or the Company 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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SCHEDULE

CONDITIONS PRECEDENT

1. The approval of the Scheme by Shareholders in compliance with the requirements of Section 210(3) of the Companies Act. Pursuant to Section 210(3) of the Companies Act, the Scheme is subject to, *inter alia*:
 - (a) approval by a majority in number of Shareholders representing at least 75% in value of Shares, present and voting either in person or by proxy at the Scheme Meeting; and
 - (b) the sanction of the Scheme by the High Court of Singapore (the “**Court**”).
2. The grant of the order of the Court sanctioning the Scheme under Section 210 of the Companies Act (the “**Scheme Court Order**”) by the Court and such Scheme Court Order having become final.
3. The registration of the Scheme Court Order with the Accounting and Corporate Regulatory Authority of Singapore.
4. The approval in-principle of the SGX-ST being obtained for the Delisting.
5. No Prescribed Occurrence in relation to the HTL Group, the Offeror or Yihua, as the case may be, occurs other than as required or contemplated by the Scheme Implementation Agreement or the Acquisition.

“**Prescribed Occurrence**”, in relation to any material HTL Group company,¹ the Offeror or Yihua, as the case may be, means any of the following occurring prior to the Record Date:-

- (a) An injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by either the Company, the Offeror or Yihua.
- (b) Any material HTL Group company, the Offeror or Yihua resolving that it be wound up.
- (c) The appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of any material HTL Group company, the Offeror or Yihua.
- (d) The making of an order by a court of competent jurisdiction for the winding up of any material HTL Group company, the Offeror or Yihua.
- (e) The appointment of a receiver or a receiver and manager, in relation to the property or assets of any material HTL Group company, the Offeror or Yihua.
- (f) Any material HTL Group company, the Offeror or Yihua ceases or threatens to cease for any reason to carry on business in the usual course.
- (g) The Company, the Offeror or Yihua being in breach of any of its representations and warranties, such breach not being able to be rectified by the party in breach within 30 days, which in the case of:
 - (i) the Company, refers to the following representations and warranties of the Company, subject to (aa) any matters disclosed to the Offeror in writing prior to

¹ These refers to any subsidiary of the Company which last preceding audited net tangible asset comprises at least 20% of the net tangible asset value of the HTL Group as reflected in the latest publicly released consolidated audited or unaudited financial statements of the HTL Group (as the case may be) prior to the Record Date, provided that the effects of any currency translation shall not be taken into account.

the date of the Scheme Implementation Agreement and any matter expressly provided under the terms of the Scheme Implementation Agreement; (bb) any matter which have been included in public announcements made by or on behalf of the Company on the SGXNET; (cc) any matter or thing done or omitted to be done pursuant to the Scheme Implementation Agreement or otherwise at the request in writing or with the approval in writing of the Offeror; and (dd) all information which would be revealed by a search at public registers and/or authorities relevant to the HTL Group companies:-

- (A) The Company has the corporate power to enter into and perform its obligations under the Scheme Implementation Agreement and to carry out the transactions contemplated by the Scheme Implementation Agreement.
- (B) The Company has taken all necessary corporate action and obtained all necessary corporate approval to authorise entry into the Scheme Implementation Agreement and the performance of the Scheme Implementation Agreement and to carry out the transactions contemplated by the Scheme Implementation Agreement.
- (C) The Company shall take all actions, and fulfil all conditions and do all things required to be done (including the obtaining of any necessary consents from third parties) in order to: (1) enable the Company to lawfully to enter into, exercise its rights and perform and comply with its obligations under the Scheme Implementation Agreement; and (2) ensure that those obligations are valid, legally binding and enforceable in accordance with their terms.
- (D) The Company's obligations under the Scheme Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.
- (E) Neither the execution nor performance by the Company of the Scheme Implementation Agreement nor any transaction contemplated under the Scheme Implementation Agreement will violate any provision of its constitutive documents, any order, writ, injunction or decree of any regulatory authority applicable to the Company or its assets, or any agreement or instrument to which the Company is a party or by which the Company or its assets are bound.
- (F) The audited consolidated accounts of the Company for the financial years ended 31 December 2014 and 31 December 2015 provide a true and fair view of the business and financial position of the HTL Group as at those dates.
- (G) The Company has complied with its announcement and public disclosure requirements as at the date of the Scheme Implementation Agreement and will continue to comply with its announcement and public disclosure requirements prior to the Effective Date.
- (H) There are no claims, actions and/or proceedings pending against the HTL Group with the quantum of liability in excess of 20% of the net tangible asset value of the HTL Group as reflected in the latest publicly released consolidated audited or unaudited financial statements of the HTL Group (as the case may be) prior to the Record Date, provided that the effects of any currency translation shall not be taken into account; and

- (ii) the Offeror, refers to the following representations and warranties of the Offeror, subject to (aa) any matters expressly provided for under the terms of the Scheme Implementation Agreement; (bb) any matter or thing hereafter done or omitted to be done pursuant to the Scheme Implementation Agreement or otherwise at the reasonable request in writing or with the approval in writing of the Company:
 - (A) The Offeror has the corporate power to enter into and perform its obligations under the Scheme Implementation Agreement and to carry out the transactions contemplated by the Scheme Implementation Agreement.
 - (B) The Offeror has taken all necessary corporate action and obtained all necessary corporate approval to authorise entry into the Scheme Implementation Agreement and the performance of the Scheme Implementation Agreement and to carry out the transactions contemplated by the Scheme Implementation Agreement.
 - (C) The Offeror shall take all actions, and fulfil all conditions and do all things required to be done (including the obtaining of any necessary consents from third parties) in order to: (1) enable the Offeror lawfully to enter into, exercise its rights and perform and comply with its obligations under the Scheme Implementation Agreement; and (2) ensure that those obligations are valid, legally binding and enforceable in accordance with their terms.
 - (D) The Offeror's obligations under the Scheme Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.
 - (E) Neither the execution nor performance by the Offeror of the Scheme Implementation Agreement nor any transaction contemplated under the Scheme Implementation Agreement will violate any provision of its constitutive documents, any order, writ, injunction or decree of any regulatory authority applicable to the Offeror or its assets, or any agreement or instrument to which the Offeror is a party or by which the Offeror or its assets are bound.
 - (h) If any material HTL Group company, Offeror or Yihua or any of their respective directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding.
 - (i) Any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).
6. The representations and warranties of the Company set out in the Scheme Implementation Agreement, as set out in sub-paragraph 5(g)(i) of this Schedule, being true and correct in all respects.
 7. The representations and warranties of the Offeror set out in the Scheme Implementation Agreement, as set out in sub-paragraph 5(g)(ii) of this Schedule, being true and correct in all respects.
 8. There being no event occurring from the date of the Scheme Implementation Agreement which will result, or be reasonably likely to result, in a material adverse effect to the HTL Group, which means, in relation to the HTL Group, a diminution in the consolidated net tangible asset value of the HTL Group as at the Record Date to an amount below 80% as reflected in the latest publicly released consolidated audited or unaudited financial statements of the HTL Group (as the case may be) prior to the Record Date, provided that the effects of any currency translation shall not be taken into account.

9. The proper filing of any required notification made under 15 U.S. Code § 18a – "Premerger notification and waiting period" and the associated rules, and the waiting period described therein having expired.
10. The approval from the Investment Commission of the Ministry of the Economic Affairs of Taiwan, relating to the transactions contemplated hereby, including filings, approvals or clearances for foreign/PRC investments under the Act Governing Relations between the People of the Taiwan Area and the Mainland Area, having been obtained and not being revoked.