HTL INTERNATIONAL HOLDINGS LIMITED

RESPONSE TO SGX QUERY REGARDING TRADING ACTIVITY

In response to the following queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 December 2015, the Board of Directors of HTL International Holdings Limited (the "Company") wishes to announce as follows:

Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.
- If yes, the information shall be announced immediately.

The Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which might explain the unusual price movements in the Company's shares today.

The Company has in this regard also made enquiries with its controlling shareholder, BEM Holdings Pte Ltd ("BEM"), which has confirmed that it is not aware of any such information not previously announced which might explain the unusual price movements in the Company's shares today.

Question 2: Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

The Company had on 27 October 2015 announced that it had received a notification from 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) aimed at realising value for all shareholders of the Company. On 18 November 2015, the Company announced that it had received a notification from BEM that BEM had entered into a framework agreement with Yihua, further details of which are as set out in the said announcement released on 18 November 2015. On 11 December 2015, the Company further announced that it had received a notification from BEM that it is in advanced negotiations with Yihua on finalising the definitive transaction agreement(s) in relation to the possible acquisition of all the shares in the Company by Yihua's wholly-owned

subsidiary in Hong Kong, Ideal Homes International Limited, by way of a scheme of arrangement under the Companies Act (Cap. 50).

While the Company is not aware of any material developments in the potential corporate transaction(s) referred to above, and has confirmed with BEM that this is the case, it is the understanding of the Board of Directors that Yihua is required under the rules of the Shanghai Stock Exchange to make regular announcements in relation to the said potential acquisition of shares in the Company, and pursuant thereto has released an announcement dated 19 December 2015, which states that negotiations are ongoing, but does not provide any material information not previously announced. Moving forward, the Board has advised BEM to require Yihua to notify BEM in advance of the release of such announcements, so as to enable BEM to provide the Company with all necessary information for dissemination to shareholders in a timely manner.

Save as mentioned above, the Company is not aware of any other possible explanation for the unusual price movements in the Company's shares today.

Question 3: Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 703 of the Mainboard Rules regarding disclosure of material information.

BY ORDER OF THE BOARD

Jacqueline Loke
Company Secretary
Singapore, 21 December 2015