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Hydoo 毅德控股

HYDOO INTERNATIONAL HOLDING LIMITED

毅德國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1396)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY**

The Board is pleased to announce that, on November 14, 2014, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Agreements with the Vendor in respect of the sale and purchase of the Property at the Consideration of RMB368.5 million (equivalent to approximately HK\$466.5 million) in total, which will be satisfied by the Group's internal resources. The Acquisition will be completed on or before June 8, 2016.

Since the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements.

INTRODUCTION

The Board is pleased to announce that on November 14, 2014, the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Agreements with the Vendor in respect of the sale and purchase of the Property.

THE AGREEMENTS

Date

November 14, 2014

Parties

- Purchaser:** Shenzhen Hydoo Investment Management Company Limited (深圳市毅德投資管理有限公司), an indirectly wholly-owned subsidiary of the Company and is principally engaged in investment holding.
- Vendor:** China Resources Land (Shenzhen) Co., Ltd. (華潤置地(深圳)有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of China Resources Group. The principal business of the Vendor is reconstruction of the old city in Dachong Village, Nanshan District, Shenzhen, the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Asset to Be Acquired of

The Property, being a total of four floors on the 40th to 43rd Floors, Dachong Commercial Center III, northwest of the crossroads between Shennan Avenue and Shahe West Road, Nanshan District, Shenzhen, the PRC (中國深圳南山區深南大道和沙河西路交匯西北處大湧商務中心(三期)第40層至第43層), with a total gross floor area of approximately 7,735 square meters.

Consideration

The Consideration for the Acquisition is RMB368.5 million (equivalent to approximately HK\$466.5 million) in total, which is payable to the Vendor by the Purchaser in cash in the following manner:

- (i) RMB80 million (equivalent to approximately HK\$101.3 million), being the first installment, which has been paid upon the date of signing the Agreements;
- (ii) RMB288.5 million (equivalent to approximately HK\$365.2 million), being the balance of the Consideration, which is payable within 10 days from the date of signing the Agreements.

The Consideration was arrived at based on normal commercial terms after arm's length negotiations between the Purchaser and the Vendor after having taken into account the market price of the Property where comparison is made based on market prices of comparable properties of similar size, character and location.

It is expected that the Consideration will be financed by internal resources of the Group.

Completion

The Property is currently under construction. It is expected that the Purchaser will obtain physical possession of the Property on or before October 8, 2015 (or another date that is mutually agreed by the Vendor and the Purchaser) on which the relevant occupation permits will be issued.

The completion of the Acquisition is expected to be on or before June 8, 2016 (or another date that is mutually agreed by the Vendor and the Purchaser) on which the property ownership certificates will be issued in favour of the Purchaser.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development and operation of large-scale trade and logistics centers in third- and fourth-tier cities and selected second-tier cities in the PRC.

The Group currently leases several office premises in Shenzhen, the PRC, as its headquarters.

The Directors consider that the purchase of the Property will benefit the Group in the following aspects:

- (i) the Acquisition will enable the Group to save recurring rental expenses from lease of office premises;
- (ii) the Acquisition will enhance the Group's centralized management, improve management efficiency, and lessen the inconveniences resulting from leasing multiple office premises; and
- (iii) the Property will enhance the fixed asset base of the Group.

Thus, the Directors, including the independent non-executive Directors (excluding Mr. Lam Chi Yuen Nelson), are of the view that the terms of the Acquisition are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Since Mr. Lam Chi Yuen Nelson also currently serves as an independent non-executive director of China Resources Cement, the ultimate holding company of

which is China Resources Group, being also the ultimate holding company of the Vendor, Mr. Lam Chi Yuen Nelson has abstained from voting in respect of the proposed Acquisition at the Board meeting pursuant to the articles of association of the Company to avoid any potential conflicts of interests.

IMPLICATIONS UNDER THE LISTING RULES

Since the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements.

In spite of Mr. Lam Chi Yuen Nelson's position in China Resources Cement, the Vendor should not be considered as a connected person of the Company, and the Acquisition should not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the purchase of the Property by the Purchaser pursuant to the terms of the Agreements
“Agreements”	the sixteen standard sale and purchase agreements dated November 14, 2014 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Property
“Board”	the board of Directors
“China Resources Cement”	China Resources Cement Holdings Limited (華潤水泥控股有限公司), a company incorporated in the Cayman Islands with limited liability, the share of which are listed on the Main Board of the Stock Exchange (Stock Code: 1313)
“China Resources Group”	China Resources National Corporation (中國華潤總公司), a company incorporated in the PRC, the ultimate holding company of China Resources Cement and the ultimate holding company of the Vendor

“Company”	Hydoo International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1396)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of RMB368.5 million (equivalent to approximately HK\$466.5 million) for the Acquisition
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	A total of four floors on the 40th to 43rd Floors, Dachong Commercial Center III, northwest of the crossroads between Shennan Avenue and Shahe West Road, Nanshan District, Shenzhen, the PRC (中國深圳南山區深南大道和沙河西路交叉口西北處大湧商務中心(三期)40至43層), with a total gross floor area of approximately 7,735 square meters.
“Purchaser”	Shenzhen Hydoo Investment Management Company Limited (深圳市毅德投資管理有限公司), a company incorporated in the PRC, and an indirectly wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, Macau SAR and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” China Resources Land (Shenzhen) Co., Ltd. (華潤置地
(深圳)有限公司), a company incorporated in the PRC

“%” per cent

By order of the Board
Hydoo International Holding Limited
Wang Jianli
Chairman

* *Unless otherwise specified, translation of HK\$ into RMB in this announcement is based on the rate of HK\$1 = RMB 0.79000.*

Hong Kong, November 16, 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Wang Jianli and Mr. Huang Dehong; the non-executive Director of the Company is Mr. Yuan Bing; and the independent non-executive Directors of the Company are Mr. Yang Xianzu, Mr. Wang Lianzhou and Mr. Lam, Chi Yuen Nelson.