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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)

**PROPOSED ISSUE OF 7.00% CONVERTIBLE NOTES
IN PRINCIPAL AMOUNT OF US\$120,000,000 DUE 2020
AND STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

PROPOSED ISSUE OF 7.00% CONVERTIBLE NOTES

The Board hereby announces that on January 8, 2015, the Company entered into the Purchase Agreement with the Investor, whereby the Investor agreed to purchase and the Company agreed to issue and sell the Notes with an aggregate principal amount of US\$120,000,000 on the Closing Date. The Notes are unconditionally and irrevocably guaranteed by the Subsidiary Guarantors.

Assuming full conversion of the Notes at the Initial Conversion Price of HK\$1.956, the Notes will be convertible into 475,742,331 Shares, representing approximately 11.85% of the existing issued share capital of the Company and approximately 10.59% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

As the conditions precedent to the completion of the Purchase Agreement may or may not be satisfied, Shareholders and prospective investors are advised to exercise caution when dealing with the Shares.

The Conversion Shares will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on May 13, 2014. To date, there has been no issue of Shares under the general mandate granted. The Company will apply to the Stock Exchange for the listing of, and permission to deal in the Conversion Shares.

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

On January 8, 2015, the Company and Ping An Real Estate entered into the Strategic Cooperation Framework Agreement, pursuant to which Ping An Real Estate intends to make strategic investments of up to RMB1.5 billion in aggregate in the Company's future trade center and logistics projects.

PROPOSED ISSUE OF 7.00% CONVERTIBLE NOTES

THE PURCHASE AGREEMENT

On January 8, 2015, the Company and the Investor entered into the Purchase Agreement, the principal terms of which are set out below:

Parties:

Issuer: Company

Investor: Pingan Real Estate (HongKong) Company Limited

Principal amount

Subject to the terms and conditions set out in the Purchase Agreement, including the satisfaction of the conditions precedent set out therein, the Investor agreed to purchase and the Company agreed to issue and sell, the Notes with an aggregate principal amount of US\$120,000,000, which will be issued on the Closing Date. The Notes will be convertible at the option of the Holders into the Shares of the Company

at the Initial Conversion Price of HK\$1.956. The Notes are unconditionally and irrevocably guaranteed by the Subsidiary Guarantors. On or before the Closing Date, the Company and the Subsidiary Guarantor Pledgors, among others, will enter into the Share Charges.

Issue Price

100% of the aggregate principal amount of the Notes.

Guarantee

Each of the Subsidiary Guarantors will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Company under the Notes.

Appointment of Investor Director

To the fullest extent as permitted by applicable law and the Listing Rules, so long as the Investor remains a holder of the Notes or Shares, the Company undertakes in the Purchase Agreement to procure the appointment of, and directors' insurance with terms consistent with those of the insurance policies purchased by the Company for its Directors for, an Investor Director. To the fullest extent as permitted by applicable law and the Listing Rules, the Company undertakes to take all necessary steps and actions and otherwise use its reasonable endeavors to promptly facilitate and give effect to the governance measures in connection with the appointment of the Investor Director.

Covenants by the Company

The Company, and certain of the Company's Shareholders, have undertaken in the Purchase Agreement that during the Lock-up Period, neither the Company nor any of the Subsidiary Guarantors will: (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of, or grant any options, issue warrants or offer rights entitling persons to subscribe or purchase any Notes or Shares to be issued upon conversion of the Notes, having a tenor of more than one year or any securities convertible into, exchangeable for or which carries rights to subscribe or purchase the Notes or the Shares to be issued upon conversion of the Notes, the securities of the same class as the Notes or the Shares to be issued upon conversion of the Notes, having a tenor of more than one year or other instruments representing interests in the Notes or the Shares to be issued upon conversion of the Notes, or other securities of the same class as them having a tenor of more than one year, (b) enter into swap or other agreements that transfers, the whole or in part, any of the economic consequences of the ownership of the Notes or Shares to be issued upon conversion of the Notes; (c) enter into any transaction with the same economic effect as, or which is designed to, or

which may reasonably be expected to result in, or agree to do, any of the foregoing, whether such transaction of the kind described in paragraphs (a), (b) or (c) above is to be settled by delivery of Notes, the Shares to be issued on conversion of the Notes, or other securities, in cash or otherwise; or (d) announce or otherwise make public an intention to do any of the foregoing without the prior written consent of the Investor except issue and sell Shares and grant options pursuant to a share option scheme, only so long as such scheme has been approved by the Board and is in compliance with the Listing Rules of the Stock Exchange. In addition, the Company will procure that Most Trend Holdings Limited, its controlling shareholder, will execute an undertaking to the same effect as the foregoing on the date of the Purchase Agreement.

Final maturity

Unless previously redeemed, repaid, converted or purchased and cancelled, the Company will redeem the Notes at 137.48% of its principal amount on the Maturity Date.

Redemption

The Notes can be redeemed under the following circumstances:

Redemption for taxation reasons

The Notes may be redeemed at the option of the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders, the Trustee and the Paying and Transfer Agent, at a redemption price equal to the Early Redemption Amount on the redemption date fixed by the Company together with accrued and unpaid interest (and any additional tax amounts) if any, to the tax redemption date, as a result of (a) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a relevant taxing jurisdiction affecting taxation; or (b) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction), additional tax amounts would have to be paid by the Company or any Subsidiary Guarantor, which requirement cannot be avoided by the taking of reasonable measures by the Company or a Subsidiary Guarantor, as the case may be.

Right to redeem Notes upon Relevant Event

Following the occurrence of a Relevant Event, a Holder will have the right at such Holder's option, to require the Company to redeem all or some of such Holder's Notes at their Early Redemption Amount together with interest accrued and unpaid to the redemption date.

Redemption at the option of the Holder

The Holder of any Note shall have the right to require the Company to redeem all or some only of such Holder's Notes at any time on or after January 23, 2018 at its Early Redemption Amount together with interest accrued and unpaid to the redemption date.

Conditions Precedent

The obligations of the Investor to purchase and pay for the Notes under the Purchase Agreement is conditional upon the satisfaction of, among other things, on or before the Closing Date:

- (a) subsequent to the execution and delivery of the Purchase Agreement and on or prior to the Closing Date:
 - (i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded the Company or any of the Company's securities by any "nationally recognized statistical rating organization," as such term is defined for purposes of Rule 436(g)(2) under the Securities Act, however, the parties acknowledge that the Notes are not currently rated; and
 - (ii) there shall not have occurred, in the judgment of the Investor, any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or affecting the general affairs, business, management, stockholders' equity, results of operations or business prospects of the Company and the Subsidiaries, taken as a whole, from that set forth in the Public Reports;
- (b) (i) the representations and warranties of the Company and each Subsidiary Guarantor contained in the Purchase Agreement being true and correct as of the Closing Date and the Company and each Subsidiary Guarantor having complied with all of the agreements and satisfied all of the conditions on its part to be

- performed or satisfied under the Purchase Agreement; and (ii) the Investor having received a certificate signed by an executive officer of the Company (on behalf of the Company and each Subsidiary Guarantor), to the effect set forth in paragraphs (a)(i), (a)(ii) and b(i) above;
- (c) the Investor having received opinions of counsels for the Company and the Subsidiary Guarantors and counsels for the Investor as set out in the Purchase Agreement;
 - (d) the Stock Exchange having issued its approval in principle for the listing of the Shares deliverable upon conversion of the Notes on the Stock Exchange subject to any conditions satisfactory to the Investor;
 - (e) an announcement to the shareholders of the Company having been published in accordance with the Listing Rules of the Stock Exchange;
 - (f) each Subsidiary Guarantor having provided to the Investor approvals from the directors of the Subsidiary Guarantor approving the issuance by such Subsidiary Guarantor of its Subsidiary Guarantee;
 - (g) each Subsidiary Guarantor Pledgor having provided to the Investor approvals from the directors of the Subsidiary Guarantor Pledgor approving the execution by such Subsidiary Guarantor Pledgor of the Purchase Agreement, the Indenture and the obligations imposed on it in each of those documents;
 - (h) the appointment of, and directors' insurance policy with terms consistent with those of the insurance policies purchased by the Company for its directors for, the Investor Director to the board of directors of the Company having become effective;
 - (i) the Indenture and the Notes having been duly executed and delivered and are in full force and effect, and true and complete copies thereof having been delivered to the Investor; and
 - (j) each of the Share Charges having been duly executed and delivered and are in full force and effect, and true and complete copies thereof having been delivered to the Investor and the Investor having received evidence:
 - (i) that any and all Collateral has been delivered to the Security Agent together with transfer powers and endorsements (as applicable) for all such Collateral, executed in blank and delivered by a duly authorized officer of the Company; and

- (ii) of the completion of all other notations, filings and recordings of or with respect to the Share Charges or the Collateral as may be necessary or, in the reasonable opinion of the Security Agent, desirable in order to perfect and protect the first priority liens and security interests intended to be created by the Share Charges. All other actions required to be taken under and in respect of the Share Charges have been taken to the reasonable satisfaction of the Security Agent.

Termination

The Investor may, by notice to the Company given prior to the Closing Date, terminate the Purchase Agreement if:

- (a) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the Nasdaq Global Market or the Stock Exchange;
- (b) trading of the securities of the Company shall have been suspended on the Stock Exchange;
- (c) a material disruption in securities settlement, payment or clearance services in the United States, any member state of the European Economic Area or Hong Kong shall have occurred;
- (d) any moratorium on commercial banking activities shall have been declared by Federal or New York State or Hong Kong authorities; or
- (e) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets, currency exchange rates or controls or any calamity or crisis that, in the judgment of the Investor, is material and adverse and which, singly or together with any other terminating event, makes it, in the judgment of the Investor, impracticable or inadvisable to proceed with the offer, sale or delivery of the Notes.

THE NOTES

Conversion Shares

The Conversion Shares will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on May 13, 2014. As of the date of this announcement, no Share has been issued under such general mandate.

Interest

The Notes bear interest from and including the date of issuance at a rate of 7.00% per annum of the principal amount of the Notes, payable semi-annually in arrears on the Interest Payment Dates.

Conversion Price

The Notes will be convertible at the option of the Holders into Shares at the Initial Conversion Price of HK\$1.956 per Share but will be subject to adjustment in the manner provided in the Indenture.

The number of Shares to be issued on conversion of a Note will be determined by dividing the principal amount of the Note to be converted (translated into HK dollars at the fixed exchange rate of HK\$7.7546 to US\$1.00) by the Conversion Price in effect on the conversion date. A conversion right may only be exercised in respect of one or more Notes. If more than one Note held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Notes to be converted.

Comparison of Conversion Price

The Initial Conversion Price of HK\$1.956 per Conversion Share represents:

- (a) a premium of 4.60% to the closing price of the Shares of HK\$1.870 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 2.73% to the average closing price of the Shares of HK\$1.904 per Share for the last 5 consecutive Trading Days up to and including the Last Trading Day;
- (c) a premium of approximately 3.66% over the average closing price of the Shares of HK\$1.887 per Share for the last 10 consecutive Trading Days up to and including the Last Trading Day; and
- (d) a premium of approximately 9.52% to the average closing price of the Shares of HK\$1.786 per Share for the last 20 consecutive Trading Days up to and including the Last Trading Day.

Adjustments to the Conversion Price

The Conversion Price of the Notes shall from time to time be subject to adjustment upon the occurrence of certain events:

- (a) consolidation, subdivision or reclassification of Shares;
- (b) capitalization of profits or reserves;
- (c) dividend payments;
- (d) if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than the current market price per Share on the date of the announcement of the terms of the issue or grant;
- (e) if and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class, by way of rights, or the grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares);
- (f) if and whenever the Company shall issue (otherwise than as mentioned in paragraph (d) above) any Shares (other than Shares issued on the exercise of conversion rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in paragraph (d) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than the current market price on the date of announcement of the terms of such issue;
- (g) save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this section, if and whenever the Company or any subsidiary shall issue (otherwise than as mentioned in paragraphs (d) to (f) above) or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary) any other company, person or entity (otherwise than as mentioned in paragraphs (d) to (f) above) of any securities (other than the Notes, which term shall for these purposes exclude any

additional Notes) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than the current market price on the date of announcement of the terms of issue of such securities;

- (h) if and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in paragraph (g) above (other than in accordance with the terms of such securities upon issue) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the current market price on the date of announcement of the proposals for such modification;
- (i) if and whenever the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any subsidiary) any other company, person or entity issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraphs (d) to (g) above);
- (j) other events or circumstances not mentioned in paragraphs (a) to (i) above which the Company may determine that a consequential adjustment should be made to the conversion price of the Notes;
- (k) if Contracted Sales during 2015 are less than RMB6.0 billion, then the Conversion Price will be decreased by 10%, and further if Contracted Sales during 2015 are less than RMB4.0 billion the Holders will also have a redemption right;
- (l) if Contracted Sales during 2015 are more than RMB6.0 billion and Contracted Sales during 2016 are less than RMB7.8 billion, then the Conversion Price will be decreased by 10%, and further if Contracted Sales during 2016 are less than RMB5.2 billion, the Holders will also have a redemption right; or

(m) if Contracted Sales during 2015 are less than RMB6.0 billion but more than RMB4.0 billion and Contracted Sales during 2016 are less than RMB7.8 billion, then the Conversion Price will be decreased by 8% (in addition to the adjustment pursuant to (k) above), and further if Contracted Sales during 2016 are less than RMB5.2 billion, the Holders will also have a redemption right.

Ranking of Conversion Shares

Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant date of registration of holders of such Shares on the register of members of the Company.

Transfer of Conversion Shares

Subject to the registration and compliance with relevant procedures effecting the transfer of the Conversion Shares upon conversion of the Notes, the Conversion Shares are freely transferrable.

Ranking of the Notes

The Notes are (a) general obligations of the Company; (b) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations; (c) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (d) at least *pari passu* in right of payment with all unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); and (e) effectively subordinated to the other secured obligations of the Company, the Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor.

Listing

No application will be made for the listing of the Notes. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE EXERCISE OF THE CONVERSION RIGHTS ATTACHING TO THE NOTES

Based on the Initial Conversion Price of HK\$1.956 and assuming full conversion of the Notes, the Notes will be convertible into 475,742,331 Shares (subject to adjustment), representing approximately 11.85% of the existing issued share capital of the Company as at the date of this announcement.

The following table summarizes the effects on the shareholding structure of the Company as a result of the Notes Issue:

Name of Shareholder	Existing shareholding		Assuming full conversion of the Notes at the Initial Conversion Price	
	No. of Shares	Percentage (%) ⁴	No. of Shares	Percentage (%)
Substantial Shareholders				
Most Trend Holdings Limited ¹	2,070,000,000	51.56%	2,070,000,000	46.10%
Top Amuse Holdings Limited ²	600,000,000	14.94%	600,000,000	13.36%
Eminent Ascend Limited ³	300,000,000	7.47%	300,000,000	6.68%
Public Shareholders				
The Investor	—	—	475,742,331	10.59% ⁵
Other Shareholders	<u>1,044,844,000</u>	<u>26.03%</u>	<u>1,044,844,000</u>	<u>23.27%</u>
Total	<u>4,014,844,000</u>	<u>100.00%</u>	<u>4,490,586,331</u>	<u>100.00%</u>

Notes:

- These 2,070,000,000 Shares are held by Most Trend Holdings Limited (至毅控股有限公司), a company incorporated and existing under the laws of the British Virgin Islands, which is wholly-owned by the Wong Family Members. By virtue of an acting-in-concert declaration executed by the Wong Family Members on March 22, 2013, the Wong Family members, among other things, confirmed that since January 1, 2010, they have been operating the Group collectively and would through discussions reach consensus among themselves before reaching any commercial decision on an unanimous basis. As such the Wong Family Members together control 51.56% Interest in the issued share capital of the Company through Most Trend Holdings Limited. Mr. Wang Jianli and Mr. Huang Dehong are executive Directors of the Company.
- These 600,000,000 Shares are held by Top Amuse Holdings Limited (悦峰控股有限公司), a company incorporated and existing under the laws of the British Virgin Islands, which is wholly-owned by Hony Capital Fund 2008, L.P., a leading private equity fund which focuses on investments in the greater China region.

3. These 300,000,000 Shares are held by Eminent Ascend Limited (頂昇有限公司), a company incorporated and existing under the laws of the British Virgin Islands, which is wholly-owned by Mr. Wong Shueng Tak, one of the Controlling Shareholders of the Company.
4. These percentages have been rounded up to two decimal points.
5. If the issue of the Shares in satisfaction of a conversion right in respect of a Note would result in the Company failing to meet its obligation under the Listing Rules to maintain the minimum prescribed percentage of the Shares that must at all times remain in public hands (as defined in the Listing Rules) or such other lower percentage permitted by the Stock Exchange at its discretion, then such conversion right in respect of a Note shall be deemed not to have been exercised.

STRATEGIC COOPERATION FRAMEWORK AGREEMENT

On January 8, 2015, the Company and Ping An Real Estate entered into the Strategic Cooperation Framework Agreement, pursuant to which Ping An Real Estate, in addition to the corporate-level investment through the Notes, intends to make strategic investments of up to RMB1.5 billion in aggregate in the Company's future trade center and logistics projects in the cities where the Company has competitive advantages. The Strategic Cooperation Framework Agreement has a term of 5 years and any investments made would be made at the project level subject to their definitive terms. The strategic investments aim to allow the parties to mutually benefit from the projects and establish a long-term strategic partnership.

Pursuant to the Strategic Cooperation Framework Agreement, Ping An Real Estate and the Company will share their business insight, informational resources on economic trends and market data, among others, with each other and seek investment opportunities which satisfy both parties' investment strategies and criteria. Additionally, Ping An Real Estate and the Company will share their management capabilities and experience with each other to maximize each party's commercial interest. Further announcement will be made by the Company in respect of any investments or agreements entered into in connection with the Strategic Cooperation Framework Agreement in accordance with the Listing Rules if and when required.

OTHER MATTERS

The Notes will be offered and sold, without being registered with the Securities and Exchange Commission under the Securities Act, in offshore transactions in reliance on Regulation S. None of the Notes will be offered to the public in Hong Kong nor will they be placed to any connected persons (as defined in the Listing Rules) of the Company.

REASONS FOR AND BENEFITS OF THE NOTES ISSUE, STRATEGIC COOPERATION FRAMEWORK AGREEMENT AND INTENDED USE OF NET PROCEEDS

The Company aims to leverage the Investor's expertise in commercial and logistics property investment, the Notes Issue and the entry into the Strategic Cooperation Framework Agreement to further enhance the Company's growth in the specialized trade center and logistics projects.

The Notes Issue will raise immediate funds for the Company, which can be used for investing in existing and new projects including expansion of the logistics business and/or other general corporate finance purposes. The Company seeks to capitalize on the current market environment for convertible bond issues to raise capital to facilitate further development and expansion of the Company. The Directors are of the view that the terms of the Notes are fair and reasonable and are in the interest of the Group. The estimated gross and net proceeds (after deducting expenses) from the Notes Issue would be approximately US\$120,000,000 and US\$119,330,000, respectively.

FUNDRAISING ACTIVITIES DURING THE PAST 12 MONTHS

The Company has not conducted any fundraising activities in the past 12 months before the date of this announcement.

GENERAL INFORMATION ON THE COMPANY, THE INVESTOR AND PING AN REAL ESTATE

The Company and its subsidiaries are principally engaged in the development and operation of large-scale trade center projects in third- and fourth-tier and selected second-tier cities in the PRC.

The Investor is a private company wholly-owned by Ping An Real Estate, the real estate investment management arm of Ping An Insurance (Group) Company of China, Ltd. listed on the Stock Exchange (stock code: 2318) and Shanghai Stock Exchange (stock code: 601318). Ping An Real Estate primarily focuses on mixed-use development, senior housing communities, industrial and logistics properties through private equity and debt instruments in the PRC and selected overseas markets.

To the best of the Directors' knowledge, information and belief, the Investor and its respective ultimate beneficial owners are third parties independent of the Company and are not connected persons (as defined in the Listing Rules) of the Company. The Company will promptly notify the Stock Exchange if it becomes aware of any dealings in the Notes by any connected person (as defined in the Listing Rules) of the Company.

As the conditions precedent to the completion of the Purchase Agreement may or may not be satisfied, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

TERMS USED IN THIS ANNOUNCEMENT

- “Board” the board of Directors of the Company
- “Change of Control” means the occurrence of one or more of the following events:
- (a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its restricted subsidiaries (as defined in the Purchase Agreement), taken as a whole, to any “person” (defined under Section 13(d) of the Exchange Act), other than one or more permitted holders (as defined in the Indenture);
 - (b) the Company consolidates with, or merges with or into, any person (other than one or more permitted holders), or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding voting stock of the Company is converted into or exchanged for cash, securities or other property, save for certain exceptions;
 - (c) the permitted holders are the beneficial owners of less than 40.0% of the total voting power of the voting stock of the Company;
 - (d) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the voting stock of the Company greater than such total voting power held beneficially by the permitted holder;

- (e) individuals who on the original issue date (as defined in the Indenture) constituted the board of directors of the Company, together with any new directors whose election to the board of directors was approved by a vote of at least a majority of the directors then still in office who were either directors on the original issue date or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Company then in office; or
- (f) the adoption of a plan relating to the liquidation or dissolution of the Company

“Closing Date”	the date (expected to be on or before January 23, 2015) or such other date as shall be agreed by the Investor and the Company, on which the Company will issue the Notes
“Company”	Hydoo International Holding Limited (毅德國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Contracted Sales”	the total amount of sales of properties by the Company and its subsidiaries for projects with respect to which the Company has a direct or indirect ownership interest that is greater than 50.0% and for which valid and binding sale and purchase agreements have been entered into
“Conversion Price”	the conversion price of the Notes which is subject to adjustment from time to time upon the occurrence of certain events
“Conversion Shares”	the Shares to be allotted and issued by the Company upon conversion of the Notes
“Director(s)”	director(s) of the Company
“Early Redemption Amount”	means the price at which the Notes may be redeemed under certain circumstances, and which will be determined, in accordance with the Indenture to give the Investor an internal rate of return of 13.0%

“Exchange Act”	means the United States Securities Exchange Act of 1934, as amended
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holder(s)”	holder(s) of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indenture”	the indenture that will be entered into by, among other parties, the Company, the Subsidiary Guarantors and the Trustee on or about the Closing Date
“Initial Conversion Price”	HK\$1.956
“Interest Payment Date(s)”	January 23 and July 23 of each year, commencing July 23, 2015
“Investor Director”	a person who may be designated by the Investor as a non-executive director of the Company and a member of the Board, including any successor to such non-executive director (or his or her successors) as the Investor may designate from time to time pursuant to the terms of the Purchase Agreement
“Investor”	Pingan Real Estate (HongKong) Company Limited (平安不動產(香港)有限公司)
“Last Trading Day”	January 7, 2015, being the last full Trading Day immediately before the issue of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lock-up Period”	means the period commencing on the date of the Purchase Agreement until 180 days after the Closing Date (both dates inclusive)
“Maturity Date”	January 23, 2020
“Notes”	the notes in the principal amount of US\$120,000,000 to be issued on the Closing Date, and such additional notes as may be issued per the terms of the Indenture

“Notes Issue”	the purchase and issue of the Notes
“Paying and Transfer Agent”	Citicorp International Limited
“Ping An Real Estate”	Ping An Real Estate Company Limited (平安不動產有限公司)
“PRC”	People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Purchase Agreement”	the conditional purchase agreement entered into between the Company and the Investor on January 8, 2015 in connection with the Notes Issue
“Regulation S”	Regulation S under the Securities Act
“Relevant Event”	occurs any time when (a) the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding 30 consecutive Trading Days on the Stock Exchange, (b) there is a Change of Control, or (c) the Company fails to meet certain sales targets
“RMB” or “Renminbi”	Renminbi Yuan, the lawful currency of the PRC
“Security Agent”	Citicorp International Limited, as security agent for the Notes
“Securities Act”	the United States Securities Act of 1933, as amended
“Share(s)”	common shares of HK\$0.01 each in the share capital of the Company
“Share Charges”	the share charges to be entered into by each of the Company, each Subsidiary Guarantor Pledgor and the Security Agent on or about the Closing Date. The Share Charges will evidence or create a security interest in any or all of the Collateral (as defined in the Indenture), in favor of (among others) the Holders
“Shareholder(s)”	holder(s) of Shares
“SME”	small and medium enterprise

“Strategic Cooperation Framework Agreement”	the strategic cooperation agreement dated January 8, 2015 entered into between Ping An Real Estate and the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	Trade Logistics Enterprises Limited (業運企業有限公司), Abundant Idea Investments Limited (訊溢投資有限公司) Hongkong Hydoos Holding Limited (香港毅德控股有限公司), Hongkong China Hydoos Logistic Limited (香港中國毅德物流有限公司) and Hongkong China Hydoos Logistic Limited (香港中國毅德物流有限公司), all of which are subsidiaries of the Company which are primarily investment holding companies that operate through subsidiaries
“Subsidiary Guarantor Pledgor(s)”	Trade Logistics Enterprises Limited (業運企業有限公司) and Abundant Idea Investments Limited (訊溢投資有限公司), both of which are subsidiaries of the Company which are primarily investment holding companies that operate through subsidiaries
“Wong Family Members”	Mr. Wong Choihing, Mr. Wang Dewen, Mr. Wang Jianli, Mr. Wang Quanguang, Mr. Wang Desheng, Mr. Wang Dekai, Mr. Huang Dehong and Mr. Wong Shueng Tak
“Trading Day”	a day on which the Stock Exchange is open for business
“Trustee”	Citicorp International Limited
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“US\$”	United States Dollars, the lawful currency of the United States

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

Hong Kong, January 9, 2015

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. Zhao Lihua, Mr. Wang Lianzhou and Mr. Lam, Chi Yuen Nelson.