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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)

VOLUNTARY ANNOUNCEMENT

**MEMORANDUM OF UNDERSTANDING IN RELATION
TO THE ESTABLISHMENT OF A PROJECT COMPANY
IN RESPECT OF A POTENTIAL PROPERTY DEVELOPMENT
PROJECT IN THAILAND**

This is a voluntary announcement made by the Company.

MEMORANDUM OF UNDERSTANDING

Hong Kong Hydoo (a wholly-owned subsidiary of the Company) entered into the Memorandum of Understanding with Sitichai Charoenkajonkul and pursuant to which Sitichai Charoenkajonkul will establish the Project Company and inject the Project Land (with a total area of approximately 600,000 square metres) (to be acquired by Sitichai Charoenkajonkul) into the Project Company. Upon establishment of the Project Company and the injection of the Project Land into the Project Company, Hong Kong Hydoo will acquire 49% interest in the Project Company from Sitichai Charoenkajonkul at a total consideration of BAHT1,080,450,000 (equivalent to approximately RMB198,262,575). Accordingly, the Project Company will be held as to 49% by Hong Kong Hydoo and 51% by Sitichai Charoenkajonkul. The Parties further agreed that Hydoo Hong Kong will control the voting rights in the Project Company.

It is intended that the Project Company will develop the Project Land into a modern commercial and trade logistic project.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date hereof, Sitichai Charoenkajonkul is an Independent Third Party.

There is no assurance as to whether and when the establishment of the Project Company and the injection of the Project Land into the Project Company will take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

MEMORANDUM OF UNDERSTANDING

The principal terms of the Memorandum of Understanding are set out below:

Date: 29 June, 2015

Parties: (1) Hong Kong Hydoo; and
(2) Sitichai Charoenkajonkul
(collectively referred to as the "**Parties**")

The Memorandum of Understanding shall be legally binding upon each Party and its respective successors, receivers, assignees, executors or trustees.

DETAILS OF THE PROPERTY DEVELOPMENT PROJECT IN THAILAND

The Parties intended that the Project Land will be injected into the Project Company and the Project Land will be developed into a modern commercial and trade logistic project. It will comprise three functional zones namely, (1) the commodity trading zone, which includes the trading of furniture, building materials, automobile and motorcycle parts, digital devices and general merchandise; (2) the e-commerce logistics zone, which includes warehouse, logistics and an e-commerce building; and (3) the commercial facilities zone, which includes a hotel, furnished apartments and office buildings, residences, and other commercial service businesses.

CONSIDERATION AND TERMS OF PAYMENT

Hong Kong Hydoos will acquire 49% interest in the Project Company from Sitichai Charoenkajonkul at a total consideration of BAHT1,080,450,000 (equivalent to approximately RMB198,262,575) (the “**Consideration**”).

The Parties agreed to establish a Bank Account within 30 Business Days after the signing of the Memorandum of Understanding. Hydoos Hong Kong should pay the initial payment of BAHT328,000,000 (or equivalent Hong Kong dollars, the exchange rate shall be determined by the bank on the date of payment) (as part of the Consideration) to the Bank Account within 15 Business Days after the establishment of the Bank Account.

Sitichai Charoenkajonkul will establish the Project Company in Thailand and inject the Project Land into the Project Company within 60 Business Days from the date on which Hong Kong Hydoos made the above initial payment to the Bank Account. No payment shall be transferred to Sitichai Charoenkajonkul or any of its authorized persons until Sitichai Charoenkajonkul had established the Project Company and injected the Project Land into the Project Company.

Within 5 Business Days from the establishment of the Project Company and the injection of the Project Land into the Project Company, Hydoos Hong Kong will pay the remainder of the Consideration in the amount of BAHT752,450,000 to the Bank Account.

Within 5 Business Days of the transfer of the 49% interest in the Project Company to Hong Kong Hydoos, the entire amount of the Consideration will be transferred from the Bank Account to Sitichai Charoenkajonkul.

EQUITY INTERESTS AND VOTING RIGHTS IN THE PROJECT COMPANY

Upon establishment of the Project Company and the injection of the Project Land into the Project Company, Hong Kong Hydoos will acquire 49% interest in the Project Company from Sitichai Charoenkajonkul at the Consideration. Accordingly, the Project Company will be held as to 49% by Hong Kong Hydoos and 51% by Sitichai Charoenkajonkul. The Parties further agreed that Hydoos Hong Kong will control the voting rights in the Project Company.

BOARD OF DIRECTORS OF THE PROJECT COMPANY

The board of directors of the Project Company shall consist of three members. The chairman will be appointed by Sitichai Charoenkajonkul and the remaining two directors will be appointed by Hydo Hong Kong.

TERMINATION

If Hydo Hong Kong fails to make full payment for its interests in the Project Company for more than 30 Business Days from the agreed date of payment as provided under the Memorandum of Understanding, Sitichai Charoenkajonkul shall have the right to terminate the Memorandum of Understanding and Hydo Hong Kong shall bear all the actual costs incurred thereof (such costs to be confirmed by the Parties).

If Sitichai Charoenkajonkul does not complete the establishment of the Project Company and the injection of the Project Land into the Project Company within 60 Business Days from the date of signing of the Memorandum of Understanding, Hydo Hong Kong shall have the right to exit the investment and withdraw the Consideration in full. Sitichai Charoenkajonkul shall bear all the actual costs incurred thereof (such costs to be confirmed by the Parties).

INFORMATION OF SITICHAJ CHAROENKAJONKUL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date hereof, Sitichai Charoenkajonkul is an Independent Third Party. He is a businessman who engages in the development of various plots of land in Bangkok, Thailand, currently held by him.

REASONS AND THE BENEFITS FOR THE ESTABLISHMENT OF THE PROJECT COMPANY

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, and has successfully developed 12 large-scale trade and logistics centers in the PRC.

The strategic concepts of "New Silk Road Economic Belt" and the "21st Century Maritime Silk Road" put forward by the PRC government also give us insights. By connecting with "One Belt and One Road" to facilitate the actualization of policies focusing on policy communication, road connection, smooth trading flow, currency circulation and cohesion of residents within the regions and centering on external investments of the PRC in areas such as inter-connection and inter-communication of infrastructural facilities, cooperation in energy and resources, cooperative

investments in park zones and industries, and participation in building “One Belt and One Road”, more opportunities for expansion will be available to us in the areas of external investments and trade logistics. According to the Group’s overall development strategy and deployment, an adequate preliminary investigation for the Thai market has been launched. The first overseas project, “Thailand (Bangkok) Hydoe City”, is expected to be officially launched in the near future. The Company intends that through this project, the Company will lay a solid foundation for its overseas investment in the future so as to make contributions to the Company and the Shareholders as a whole.

GENERAL

There is no assurance as to whether and when the establishment of the Project Company and the injection of the Project Land into the Project Company will take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“BAHT”	Thai Bhat, the lawful currency of Thailand;
“Bank Account”	a commonly controlled bank account with a commercial bank in Hong Kong;
“Board”	the board of Directors;
“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business in Thailand;
“Company”	Hydoe International Holding Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) 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 PRC;
“Hydoo Hong Kong”	Hongkong Hydoo Holding Limited, a company incorporated in Hong Kong with limited liability;
“Independent Third Party”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons as defined under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum of Understanding”	the memorandum of understanding dated 29 June, 2015 entered into between Hydoo Hong Kong and Sitichai Charoenkajonkul
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong and the Macau Special Administrative Region;
“Project Company”	a project company to be established under the laws of Thailand in relation to the potential property development project in Thailand
“Project Land”	means plots of land, representing a total area of approximately 600,000 square metres located at Bangbor area, Bangkok, Thailand;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	the shareholder(s) of the Company.

For and on behalf of the Board
Hydoo International Holding Limited
Wang Jianli
Chairman and Executive Director

Hong Kong, 29 June, 2015

As at the date of this announcement, the executive Directors of the Company are Mr. Wang Jianli, Mr. Wang Dewen and Mr. Huang Dehong; the non-executive Directors of the Company are Mr. Yuan Bing and Mr. Wang Wei; and the independent non-executive Directors of the Company are Mr. Zhao Lihua, Mr. Wang Lianzhou and Mr. Lam, Chi Yuen Nelson.