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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)

ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE NOTES DUE 2020

The Board announces that as a result of the Final Dividend paid by the Company, the conversion price of the Notes was adjusted from HK\$1.696 per Share to HK\$1.670 per Share effective from 17 May 2016, being the ex-entitlement day.

Reference is made to (i) the announcements of Hydoo International Holding Limited (the “**Company**”) dated 9 January 2015, 26 January 2015, 7 July 2015, 11 January 2016, 14 January 2016 and 31 March 2016 in relation to the 7% convertible notes in the principal amount of US\$120,000,000 due 2020 (the “**Notes**”) and (ii) the announcements of the Company dated 14 March 2016, 30 March 2016 and 13 May 2016 in relation to the payment of a final dividend of HK1.5 cents per Share for the year ended 31 December 2015 (the “**Final Dividend**”) (together referred to as the “**Announcements**”).

Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

On 30 March 2016, the Board of Directors (the “**Board**”) of the Company recommended the payment of the Final Dividend. The Final Dividend was approved by the shareholders of the Company at the annual general meeting held on 13 May 2016, and was paid in cash on 31 May 2016 to shareholders whose names appear on the register of members of the Company on 19 May 2016.

Notice is hereby given that based on the adjustment provisions stipulated under condition 6.4(c) of the indenture governing the terms and conditions of the Notes, an adjustment was made to the conversion price of the Notes as a result of the Final Dividend from HK\$1.696 per Share to HK\$1.670 per Share effective from 17 May 2016, being the ex-entitlement day (the “**Adjustment**”). Apart from the Adjustment, there is no change to the terms and conditions of the Notes. Based on the total outstanding principal amount of the Notes of US\$80,000,000, the maximum number of Shares that will be issued upon conversion of all the outstanding Notes at the previous conversion price and the adjusted conversion price is 365,783,019 Shares and 371,468,765 Shares respectively, representing an increase of 5,685,746 Shares (the “**Additional Conversion Shares**”) issuable under the Notes.

The Additional Conversion Shares will be issued pursuant to the general mandate granted to the directors of the Company by the shareholders of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 15 May 2015.

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

Hong Kong, 31 May 2016

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.