

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer, management, as well as financial statements. The Company does not intend to make any public offering of securities in the United States.*

**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)**

**(1) RESULTS OF EXCHANGE OFFER FOR THE EXISTING  
NOTES AND (2) ISSUANCE OF US\$130,000,000 12.00%  
SENIOR NOTES DUE 2020**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the Securities Futures Ordinance (Cap. 571 of the laws of Hong Kong).

Reference is made to the announcements of the Company dated 24 April 2018 and 25 April 2018 in relation to the Exchange Offer and the Concurrent New Money Issuance. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as defined in the Announcements.

The Exchange Offer expired at 4:00 p.m., London time, on 30 April 2018. The Company hereby informs Eligible Holders that, as at the Exchange Expiration Deadline, US\$98,400,000 of the Existing Notes, representing approximately 61.5% of the total aggregate principal amount of the outstanding Existing Notes, has been validly tendered for exchange and accepted pursuant to the Exchange Offer.

On 2 May 2018 (Hong Kong time), the Company and the Subsidiary Guarantors further entered into the Purchase Agreement with Haitong International, Morgan Stanley and Potomac Capital in connection with the issue of additional New Notes under the Concurrent New Money Issuance.

Subject to completion of the Exchange Offer and the Concurrent New Money Issuance, the Company will issue US\$25,893,000 of the New Notes in the Concurrent New Money Issuance and US\$104,107,000 of the New Notes pursuant to the Exchange Offer, for an aggregate principal amount of US\$130,000,000 of the New Notes.

Approval in-principle has been received from the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company or the New Notes. No listing of the New Notes has been sought in Hong Kong.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the Securities Futures Ordinance (Cap. 571 of the laws of Hong Kong).

Reference is made to the announcements of the Company dated 24 April 2018 and 25 April 2018 in relation to the Exchange Offer and the Concurrent New Money Issuance. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as defined in the Announcements.

## **RESULTS OF THE EXCHANGE OFFER FOR THE EXISTING NOTES**

The Exchange Offer expired at 4:00 p.m., London time, on 30 April 2018. The Company hereby informs Eligible Holders that, as at the Exchange Expiration Deadline, US\$98,400,000 of the Existing Notes, representing approximately 61.5% of the total aggregate principal amount of the outstanding Existing Notes, has been validly tendered for exchange and accepted pursuant to the Exchange Offer.

With respect to the Existing Notes submitted for exchange, subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer, Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will receive the Exchange Consideration on the Settlement Date.

The Exchange Offer Memorandum, and announcements related to the Exchange Offer, are available in electronic format to Eligible Holders via the exchange website: <https://sites.dfkingltd.com/hydoo>.

## **THE PURCHASE AGREEMENT IN RELATION TO THE CONCURRENT NEW MONEY ISSUANCE**

**Date:** 2 May 2018 (Hong Kong time)

### **Parties to the Purchase Agreement**

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;
- (c) the Subsidiary Guarantor Pledgors;
- (d) Haitong International;
- (e) Morgan Stanley; and
- (f) Potomac Capital.

Haitong International and Morgan Stanley are the joint global coordinators, and Haitong International, Morgan Stanley and Potomac Capital are the joint bookrunners and joint lead managers in respect of the offer and sale of the New Notes under the Concurrent New Money Issuance. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Haitong International, Morgan Stanley and Potomac Capital is an independent third party and not a connected person of the Company.

The New Notes and the Subsidiary Guarantees have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the New Notes are being offered and sold only to the non-U.S. persons outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the New Notes will be offered to the public in Hong Kong and none of the New Notes will be placed with any connected persons of the Company except in accordance with the terms of the Exchange Offer.

## **PRINCIPAL TERMS OF THE NEW NOTES**

### ***Offering Size***

Subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance, the Company will issue US\$25,893,000 of the New Notes in the Concurrent New Money Issuance and US\$104,107,000 of the New Notes pursuant to the Exchange Offer, for an aggregate principal amount of US\$130,000,000 of the New Notes, which will mature on 9 May 2020 unless earlier redeemed pursuant to the terms thereof.

### ***Interest Rate***

The New Notes will bear interest from and including 9 May 2018 at the rate of 12.00% per annum, payable semi-annually in arrears on 9 May and 9 November each year, commencing 9 November 2018.

### ***Ranking of the New Notes***

The New Notes are general obligations of the Company and will be (1) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the New Notes; (2) at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (3) guaranteed by the Subsidiary Guarantors and JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (4) effectively subordinated to the secured obligations (if any, other than permitted *pari passu* secured indebtedness) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to the extent of the value of the assets serving as security therefor (other than the Collateral, as defined below); and (5) effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

### ***Security to be Guaranteed***

The Company has pledged, or caused the initial Subsidiary Guarantor Pledgors to pledge, as the case may be, the capital stock of the initial Subsidiary Guarantors (the “**Collateral**”) (subject to permitted liens and the Intercreditor Agreement) on the date of the issuance of the New Notes in order to secure the obligations of the Company and the Subsidiary Guarantor Pledgors under the 2018 Notes, 2019 Notes, the New Notes and the Subsidiary Guarantees and the permitted *pari passu* secured indebtedness.

### ***Intercreditor Agreement***

On 15 December 2015, the Company, the initial Subsidiary Guarantor Pledgors, Citicorp International Limited as the security agent (the “**Security Agent**”), the trustee of the 2018 Notes and other secured parties entered into an intercreditor agreement (as may be amended or supplemented from time to time), which provided (1) that the 2018 Notes and the permitted pari passu secured indebtedness shall share equal priority and pro rata entitlement in and to the Collateral; (2) the conditions that are applicable to the release of or granting of any lien on such Collateral; and (3) the conditions under which their rights with respect to such Collateral and the indebtedness secured thereby will be enforced. The holders of the 2019 Notes acceded to the Intercreditor Agreement on August 30, 2016. The Trustee will accede to the Intercreditor Agreement on the issue date of the New Notes.

### ***Events of Default***

The events of default under the New Notes Include:

- (a) default in the payment of principal of (or premium, if any, on) the New Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (b) default in the payment of interest on any New Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (c) default in the performance or breach of the provisions of the covenants relating to consolidation, merger and sale of assets, the failure by the Company to make or consummate an offer to purchase in the manner prescribed by the terms of the Indenture or the failure by the Company to create, or cause its restricted subsidiaries to create a lien on the Collateral (subject to any permitted liens and the Intercreditor Agreement, if any) in accordance with the covenant relating to security in the Indenture;
- (d) the Company or any restricted subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the New Notes (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee of the New Notes or the holders of 25% or more in aggregate principal amount of the New Notes;
- (e) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$7.5 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness of

all such persons, whether such indebtedness now exists or shall hereafter be created, (A) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (B) the failure to make a principal payment when due;

- (f) one or more final judgments or orders for the payment of money are rendered against the Company or any restricted subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$7.5 million (or the dollar equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (g) an involuntary case or other proceeding is commenced against the Company or any restricted subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any restricted subsidiary or for any substantial part of the property and assets of the Company or any restricted subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any restricted subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (h) the Company or any restricted subsidiary (i) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) other than in connection with a solvent liquidation or reorganization, consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any restricted subsidiary or for all or substantially all of the property and assets of the Company or any restricted subsidiary or (iii) effects any general assignment for the benefit of creditors;
- (i) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect;

- (j) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the security documents or the Indenture, which adversely affects the enforceability, validity, perfection or priority of the applicable lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or
- (k) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms its obligations under any security document or, other than in accordance with the Indenture and the security documents, any security document ceases to be or is not in full force and effect or the Security Agent ceases to have a first priority security interest in the Collateral (subject to any permitted liens and the Intercreditor Agreement, if any).

If an event of default (other than an event of default specified in clause (g) or (h) above) occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in aggregate principal amount of the New Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the holders), may, and the Trustee at the written request of such holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the New Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in clause (g) or (h) above occurs with respect to the Company or any restricted subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the New Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of the New Notes.

### ***Covenants***

Subject to certain conditions and exceptions, the New Notes and the Indenture will limit the Company's ability and the ability of its restricted subsidiaries to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) create liens;

- (e) create encumbrance or restriction on the restricted subsidiaries' ability to pay dividends, pay indebtedness, transfer assets or make intercompany loans;
- (f) issue or sell capital stock of restricted subsidiaries;
- (g) guarantee additional indebtedness;
- (h) enter into sale and leaseback transactions;
- (i) sell assets;
- (j) enter into transactions with shareholders and their affiliates;
- (k) engage in any business other than a permitted business; and
- (l) effect a consolidation or merger.

### ***Optional Redemption***

The New Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time prior to 9 May 2020, the Company may at its option redeem the New Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the New Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time and from time to time prior to 9 May 2020, the Company may redeem up to 35% of the principal amount of the New Notes with the net cash proceeds of one or more sales of its common stock in an equity offering at a redemption price of 112% of the principal amount of the New Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the New Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.



## **Information of the Company and Reasons for the New Notes Issue**

We are a leading developer and operator of large-scale trade centers in China. As of 31 December 2017, we were simultaneously developing and operating 12 projects in 7 provinces and autonomous regions in China, 11 of which are large-scale trade centers. As of 31 December 2017, we had a total land bank of 9.5 million sq.m. Our business focuses primarily on the development and operation of large-scale trade centers in high growth second-and third-tier cities in China.

The Company intends to use the proceeds of the New Notes for repayment of debt including to redeem the 2018 Notes and to finance acquisitions or development of assets, real or personal property or equipment to be used in the ordinary course of business, and certain amounts may be used for general corporate purposes. The Company may adjust the development plans in response to changing market conditions and, thus, reallocate the use of proceeds.

## **Listing of the New Notes**

Approval in-principle has been received for the listing and quotation of the New Notes on the SGX-ST. The approval in-principle granted for listing and quotation of the New Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors, or any other subsidiary or associated company of the Company, the New Notes; or the Subsidiary Guarantees. The SGX-ST assumes no responsibility for the contents of this announcement. No listing of the New Notes has been sought in Hong Kong.

**Shareholders, holders of the Existing Notes and potential investors should note that completion of the Exchange Offer and the Concurrent New Money Issuance remains subject to the fulfillment or waiver of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance as set forth in the Exchange Offer Memorandum and summarised in the Announcements. No assurance can be given that the Exchange Offer and the Concurrent New Money Issuance will be completed and the Company reserves the right to amend, withdraw or terminate the Exchange Offer and the Concurrent New Money Issuance with or without conditions.**

**The Company may, at its sole discretion, amend or waive certain of the conditions precedent to the Exchange Offer and the Concurrent New Money Issuance. As the Exchange Offer and the Concurrent New Money Issuance may or may not proceed or complete, shareholders, holders of the Existing Notes and potential investors should exercise caution when dealing in the shares of the Company or the Existing Notes.**

**The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. This announcement is provided to you because you are a non-U.S. person outside the United States in accordance with Regulation S.**

**IMPORTANT NOTICE — THE EXCHANGE OFFER IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (AS DEFINED UNDER REGULATION S) AND ARE OUTSIDE THE UNITED STATES. U.S. PERSONS (AS DEFINED UNDER REGULATION S), PERSONS ACTING FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS AND PERSONS LOCATED IN THE UNITED STATES ARE NOT PERMITTED TO TENDER THE EXISTING NOTES IN THE EXCHANGE OFFER.**

## **DEFINITIONS**

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

“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Indenture”	the indenture proposed to be entered into between the Company, the Subsidiary Guarantors and the Trustee, that specifies the terms of the New Notes including the interest rate of the New Notes and maturity date
“Intercreditor Agreement”	the intercreditor agreement entered into between the Company, the initial Subsidiary Guarantor Pledgors, Citicorp International Limited, the trustee of the 2018 Notes and other secured parties on 15 December 2015, with the holders of the 2019 Notes acceded to it on August 30, 2016, and the Trustee will accede to it on the issue date of the New Notes.
“JV Subsidiary Guarantee”	a limited-recourse guarantee provided by a subsidiary of the Company in certain circumstances
“JV Subsidiary Guarantor”	a subsidiary of the Company that in the future provides JV Subsidiary Guarantees
“New Notes Issue”	the issue of the New Notes by the Company
“Non-Guarantor Subsidiary”	certain subsidiaries of the Company which do not provide Subsidiary Guarantees or JV Subsidiary Guarantees for the New Notes

“Purchase Agreement”	the purchase agreement dated 2 May 2018 entered into among the Company, the Subsidiary Guarantors, the Subsidiary Guarantor Pledgors, Hationg International, Morgan Stanley and Potomac Capital in relation to the proposed New Notes Issue
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the New Notes
“Subsidiary Guarantor Pledgor”	any Subsidiary Guarantor which pledge Collateral to secure the obligations of the Company under the New Notes and the Indenture and of such Subsidiary Guarantor under its Subsidiary Guarantee
“Subsidiary Guarantors”	certain existing subsidiaries of the Company that provide guarantees to secure the Company’s obligations under the New Notes
“Trustee”	Citicorp International Limited
“2018 Notes”	the US\$160,000,000 13.75% senior notes due 2018 issued by the Company on 15 December 2015 and 14 September 2016
“2019 Notes”	the US\$60,000,000 11.00% senior notes due 2019 issued by the Company on 30 August 2016

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

Hong Kong, 3 May 2018

*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 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.*