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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

ANNUAL RESULTS

The board of directors (the "**Board**") of Hydoo International Holding Limited (the "**Company**") hereby announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the financial year ended 31 December 2017 ("**FY2017**" or the "**Year**") with comparative figures for the preceding financial year ended 31 December 2016 ("**FY2016**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2017

(Expressed in Renminbi)

	Note	**2017** *RMB'000*	2016 *RMB'000*
Revenue	2	**1,792,421**	2,335,777
Cost of sales		**(1,076,609)**	(1,049,861)
Gross profit		**715,812**	1,285,916
Other income	3	**491,800**	21,988
Selling and distribution expenses		**(147,277)**	(149,754)
Administrative and other operating expenses		**(461,682)**	(552,229)
Profit from operations before fair value gain on investment properties		**598,653**	605,921
Fair value gain on investment properties	7	**387,870**	326,451
Profit from operation after fair value gain on investment properties		**986,523**	932,372
Share of loss of an associate		**(300)**	—
Share of loss of joint ventures		**(2,943)**	(1,492)
Fair value change on embedded derivative component of the convertible notes		**—**	(668)
Gain on early redemption of convertible notes		**—**	14,391
Finance income	4(a)	**5,722**	8,299
Finance costs	4(a)	**(275,021)**	(240,439)
Profit before taxation	4	**713,981**	712,463
Income tax	5(a)	**(458,726)**	(357,315)
Profit for the year		**255,255**	355,148
Attributable to:			
Equity shareholders of the Company		**245,573**	350,280
Non-controlling interests		**9,682**	4,868
Profit for the year		**255,255**	355,148
Earnings per share			
Basic (RMB cents)	6	**6.1**	8.7
Diluted (RMB cents)	6	**6.1**	8.7

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2017

(Expressed in Renminbi)

	2017	2016
	RMB'000	*RMB'000*
Profit for the year	**255,255**	355,148
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside the Mainland China	**78,671**	(51,230)
Other comprehensive income for the year	**78,671**	(51,230)
Total comprehensive income for the year	**333,926**	303,918
Attributable to:		
Equity shareholders of the Company	**324,244**	299,050
Non-controlling interests	**9,682**	4,868
Total comprehensive income for the year	**333,926**	303,918

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2017

(Expressed in Renminbi)

	Note	**2017**	2016
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**457,896**	472,958
Investment properties	7	**2,259,900**	1,520,800
Intangible assets		**19,555**	2,956
Goodwill		**2,252**	3,631
Interest in an associate		**3,700**	—
Interest in joint ventures		**146,451**	149,394
Other financial assets		**84,731**	180,131
Deferred tax assets		**148,399**	247,050
Finance lease receivable		**19,155**	26,672
		3,142,039	2,603,592
Current assets			
Inventories		**8,234,259**	9,180,960
Prepaid tax		**95,437**	105,321
Other financial assets		**13,548**	—
Other current assets		**371,000**	—
Trade and other receivables, prepayments and deposits	8	**1,088,503**	1,550,738
Pledged and restricted cash		**857,666**	1,045,848
Cash and cash equivalents		**1,000,443**	965,685
		11,660,856	12,848,552
Current liabilities			
Trade and other payables	9	**4,152,778**	4,084,024
Bank loans and other borrowings		**1,201,859**	1,308,053
Senior notes	10	**1,042,899**	—
Corporate bonds	11	**6,665**	—
Current tax liabilities		**869,706**	1,066,635
Deferred income		**716,672**	860,994
		7,990,579	7,319,706
Net current assets		**3,670,277**	5,528,846
Total assets less current liabilities		**6,812,316**	8,132,438

	Note	**2017**	2016
		RMB'000	*RMB'000*
Non-current liabilities			
Bank loans and other borrowings		**861,770**	1,477,510
Senior notes	10	**390,964**	1,519,351
Corporate bonds	11	**259,770**	9,674
Deferred income		**3,132**	3,804
Deferred tax liabilities		**77,419**	14,815
		1,593,055	3,025,154
NET ASSETS		**5,219,261**	5,107,284
Capital and reserves			
Share capital		**31,825**	31,825
Reserves		**5,159,765**	4,852,252
Total equity attributable to equity shareholders of the Company		**5,191,590**	4,884,077
Non-controlling interests		**27,671**	223,207
TOTAL EQUITY		**5,219,261**	5,107,284

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 Significant Accounting Policies

(a) Statement of compliance

The financial information relating to the years ended 31 December 2017 and 2016 included in this announcement of annual results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. The financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the "**Group**") and the Group's interest in an associate and joint ventures.

These financial statements are presented in Renminbi ("**RMB**") rounded to the nearest thousand. The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— derivative financial instruments; and

— investment properties.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The IASB has issued several new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Revenue and segment reporting

The principal activities of the Group are development, sales and operation of commercial trade and logistics centres and residential properties in the PRC.

Revenue represents income from sales of properties, property management services income and rental income net of sales related taxes and is after deduction of any trade discounts.

The amounts of each significant category of revenue recognised in revenue during the year are as follows:

	2017	2016
	RMB'000	*RMB'000*
Sales of properties	**1,697,273**	2,226,617
Property management services	**49,664**	42,092
Rental income	**23,901**	45,130
Others	**21,583**	21,938
	1,792,421	2,335,777

The Group's customer base is diversified and none of the customers of the Group with whom transactions have exceeded 10% of the Group's revenue.

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial data and information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations. No segment information is presented in respect of the Group's operating segment as the Group is principally engaged in one segment in the PRC. The Group does not operate in any other geographical or business segment during the year.

3 Other income

	2017	2016
	RMB'000	*RMB'000*
Net gain on disposal of subsidiaries (i)	**198,175**	—
Income from return of prepaid investment cost (ii)	**178,585**	—
Net gain on disposal of other non-current financial assets (iii)	**123,436**	2,000
Dividend income	**867**	1,308
Government grants (iv)	**6,890**	5,531
Net gain on disposal of other current assets	**4,036**	547
Net gain on disposal of property, plant and equipment	**643**	37
Fair value (loss)/gain on derivative financial instrument	**(22,446)**	9,132
Others	**1,614**	3,433
	491,800	21,988

(i) This represents net gain on disposal of Xingning Hydoo Trade Logistics Centre Limited and Huaiyuan Hydoo City Development Limited during the year.

(ii) In prior year, the Group prepaid investment cost of RMB245,700,000 in respect of a property development project. During the year, the investment was terminated and the Group received a total amount of RMB424,285,000 from the counterparty. This resulted in a gain of RMB178,585,000 in profit or loss during this year.

(iii) During the year, the Group completed the disposal of its beneficial equity interest in Shenzhen Qian Hai International Energy Financial Center Co.,Ltd. for a total consideration of RMB203,436,000. This resulted in a net gain on disposal of RMB123,436,000.

(iv) During the year, the Group transferred certain completed properties held for sale and properties under development for sale to investment properties (note 7). The related government grants of RMB3,604,000 (2016: RMB2,962,000) previously recorded as deferred income were recognised in profit or loss as other income during the year.

4 Profit before taxation

Profit before taxation is arrived at after (crediting)/charging:

(a) Finance income and finance costs

	2017	2016
	RMB'000	*RMB'000*
Finance income		
Interest income	**(5,722)**	(8,299)
Finance costs		
Interest on bank loans and other borrowings	**147,250**	170,136
Interest on corporate bonds	**15,830**	517
Interest on convertible notes	**—**	64,400
Interest on senior notes	**195,650**	127,654
	358,730	362,707
Less: interest expense capitalised into properties under development *	**(91,125)**	(133,876)
	267,605	228,831
Net foreign exchange loss	**7,416**	11,608
	275,021	240,439

* The borrowing costs have been capitalised at rates ranging from 5.15% - 9.03% per annum (2016: 4.75% - 9.00%).

(b) Staff costs:

	2017	2016
	RMB'000	*RMB'000*
Contributions to defined contribution retirement plans	**10,561**	13,070
Salaries, wages and other benefits	**242,682**	275,996
Equity settled share-based payments	**3**	(194)
	253,246	288,872

(c) Other items:

	2017	2016
	RMB'000	*RMB'000*
Depreciation and amortisation	**33,738**	36,282
Impairment losses		
– trade and other receivables (note 8)	**2,639**	7,225
– property, plant and equipment	**956**	7,340
– intangible assets	**243**	613
– inventory	**497**	—
Write off of deposits	**—**	1,000
Write off of goodwill	**1,379**	—
Accrued estimated compensation in relation to a sub-lease arrangement (note 9(d))	**—**	43,050
Reversal of over-accrued estimated compensation in relation to a sub-lease arrangement (note 9(d))	**(35,956)**	—
Auditor's remuneration	**3,850**	3,750
Operating lease charges	**15,105**	57,220
Rentals receivable from investment properties	**11,994**	13,592
Cost of properties sold (i)	**1,017,722**	976,697

(i) Cost of properties sold is after netting off of utilization of deferred income in respect of government grants of RMB220,649,000 for the year ended 31 December 2017 (2016: RMB468,759,000).

5 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2017	2016
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax ("**PRC CIT**") (iii)	**175,192**	164,002
PRC land Appreciation Tax ("**PRC LAT**") (iv)	**198,754**	124,270
	373,946	288,272
Deferred tax		
Origination and reversal of temporary differences	**84,780**	69,043
	458,726	357,315

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in this jurisdiction.

(ii) No provision for Hong Kong Profits Tax was made as the Group did not earn any income subject to Hong Kong Profits Tax for the year (2016: Nil).

(iii) PRC CIT

The Group's PRC subsidiaries are subject to statutory tax rate of 25% on their assessable profits.

In July 2013, Ganzhou Hydoo Commercial and Trade Logistics Park Development Co., Ltd. ("**Ganzhou Trade Centre**") was approved to enjoy a preferential PRC CIT rate of 15% for the years from 2012 to 2020 according to a tax notice issued by the local tax bureau.

In December 2015, Wuzhou Hydoo Commercial and Trade Centre Development Co., Ltd. ("**Wuzhou Trade Centre**") was also approved to enjoy a preferential PRC CIT rate of 15% for the years from 2015 to 2020 according to a tax notice issued by the local tax bureau.

The preferential tax treatment was based on various tax rules and regulations in relation to PRC government's strategy in encouraging investment and development of wholesale trading markets in certain regions in the PRC.

(iv) PRC LAT

PRC LAT which is levied on properties developed for sale by the Group in the PRC, at progressive rates ranging from 30% to 60% on the appreciation value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and all qualified property development expenditures. Deferred tax assets arising from PRC LAT accrued are calculated based on the applicable income tax rates when they are expected to be cleared.

In addition, certain subsidiaries of the Group were subject to PRC LAT which were calculated based on 6% to 8% of their revenue in accordance with the authorised tax valuation method approved by respective local tax bureau.

The directors of the Company are of the opinion that the authorised tax valuation method is one of the allowable taxation methods in the PRC and the respective local tax bureaus are the competent tax authorities to approve the authorised tax valuation method in charging PRC LAT to the respective PRC subsidiaries of the Group, and the risk of being challenged by the State Administration of Taxation or any tax bureau of higher authority is remote.

(v) PRC dividend withholding tax

Withholding tax is levied on Hong Kong companies in respect of dividend distributions arising from profit of PRC subsidiaries earned after 1 January 2008 at 5%.

(b) Reconciliation between income tax and accounting profit at applicable tax rates:

	2017	2016
	RMB'000	*RMB'000*
Profit before taxation	**713,981**	712,463
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**286,286**	207,299
Tax effect of non-deductible expenses	**6,293**	4,730
Tax effect of non-taxable income	**(217)**	(327)
Tax effect of unused tax losses not recognised	**30,126**	56,059
Tax effect of temporary differences not recognised	**12,029**	—
Utilisation of previously unrecognised tax losses	**(18,800)**	(1,287)
PRC LAT (note 5(a)(iv))	**198,754**	124,270
Tax effect on PRC LAT	**(48,348)**	(29,652)
Tax concessions (note 5(a)(iii))	**(7,397)**	(3,777)
Total income tax	**458,726**	357,315

6 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB245,573,000 (2016: RMB350,280,000) and the weighted average of 4,014,844,000 ordinary shares (2016: 4,014,844,000 ordinary shares).

(b) Diluted earnings per share

For the year ended 31 December 2017 and 2016, the effect of deemed issue of shares under the Company's Pre-IPO Share Option Scheme for nil consideration was anti-dilutive.

7 Investment properties

	Completed properties *RMB'000*	Properties under development *RMB'000*	Total *RMB'000*
At 1 January 2016	778,900	—	778,900
Transferred from inventories	415,449	—	415,449
Fair value adjustments	326,451	—	326,451
At 31 December 2016 and 1 January 2017	1,520,800	—	1,520,800
Transferred from inventories	158,445	192,785	351,230
Fair value adjustments	152,655	235,215	387,870
At 31 December 2017	1,831,900	428,000	2,259,900
Representing			
Valuation - 2017	1,831,900	428,000	2,259,900
Valuation - 2016	1,520,800	—	1,520,800
Book value			
At 31 December 2017	1,831,900	428,000	2,259,900
At 31 December 2016	1,520,800	—	1,520,800

During the year, the Group transferred certain completed properties held for sale and properties under development for sale to investment properties upon there was an actual change in use from sale to earning rental income purpose. A fair value gain of RMB384,391,000 (2016: RMB309,551,000), and corresponding deferred tax of RMB96,187,000 (2016: RMB47,951,000), upon the transfer had been recognised in profit or loss.

During the year, an additional gain in fair value of RMB3,479,000 (2016: RMB16,900,000) and corresponding deferred tax of RMB979,000 (2016: RMB3,675,000), have been recognised in profit or loss in respect of the existing investment properties.

8 Trade and other receivables, prepayments and deposits

	2017	2016
	RMB'000	*RMB'000*
Trade and bill receivables (a)	**45,252**	48,431
Less: allowance for doubtful debts (b)	**(9,864)**	(7,225)
	35,388	41,206
Prepaid sales related tax and other taxes	**125,527**	99,530
Deposits, prepayments and other receivables (c)	**883,151**	1,350,171
Amount due from a joint venture (d)	**17,778**	18,874
Amount due from an associate (d)	**4,000**	—
Finance lease receivables	**22,659**	40,957
	1,088,503	1,550,738

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of trade and bill receivables (net of allowance for doubtful debts) based on the date the relevant trade and bill receivables recognised, is as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 1 month	**10,990**	32,943
1 to 3 months	**5,167**	2,378
3 to 6 months	**7,064**	2,125
Over 6 months	**12,167**	3,760
	35,388	41,206

Trade and bill receivables are primarily related to proceeds from the sale of properties. Proceeds from the sale of properties are made in lump-sum payments or paid by instalments in accordance with the terms of the corresponding contracts.

(b) Impairment of trade and other receivables

Impairment losses in respect of trade and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and other receivables directly .

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	2017	2016
	RMB'000	*RMB'000*
At 1 January	**7,225**	—
Impairment loss recognised	**2,639**	7,225
At 31 December	**9,864**	7,225

During 2017, trade and other receivables of RMB2,639,000 (2016: RMB7,225,000) were individually determined to be impaired. The individually impaired receivables were related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB2,639,000 (2016: RMB7,225,000) were recognised.

(c) The balance included prepayments for leasehold land of RMB41,510,700 (2016: RMB486,773,000) and consideration to be received from disposal of subsidiaries of RMB284,765,000 (2016: Nil), which is fully and unconditionally guaranteed by an independent third party and a guarantee company. Apart from the amount due from the third parties of RMB19,227,000 (2016: Nil), which is interest-bearing from 10% to 15% per annum, all of the balances are unsecured and interest-free.

(d) The balances of amount due from a joint venture and an associate are unsecured, interest-free and have no fixed repayment terms.

9 Trade and other payables

	2017	2016
	RMB'000	*RMB'000*
Trade and bills payables (a)	**2,131,258**	2,343,810
Receipts in advance (b)	**1,539,042**	1,188,327
Other payables and accruals (c), (d)	**482,478**	551,887
Total	**4,152,778**	4,084,024

(a) Included in trade and other payables are trade creditors with the following ageing analysis as at the end of the reporting period:

	2017	2016
	RMB'000	*RMB'000*
Due within 1 month or on demand	**438,023**	446,703
Due after 1 month but within 3 months	**221,791**	101,996
Due after 3 months but within 6 months	**383,038**	420,912
Due after 6 months	**1,088,406**	1,374,199
	2,131,258	2,343,810

Trade payables mainly represent amounts due to contractors. Payment to contractors is in installments according to progress and agreed milestones. The Group normally retains 2% to 10% as retention money.

At 31 December 2017, included in trade payables are retention payables of RMB28,168,000 (2016: RMB31,525,000), which are expected to be settled after more than one year.

(b) Receipts in advance primarily consisted of advance payments from customers for purchases of the Group's properties.

(c) At 31 December 2017, included in other payables and accruals are deposits of RMB24,112,000 (2016: RMB56,531,000), which are expected to be settled after more than one year. All of the other payables and accrued expenses are expected to be settled within one year.

(d) In 2016, the Group accrued an estimated compensation in relation to a sub-lease arrangement of RMB43,050,000, which included the estimated compensation to the lessor and the lessees of the Group amounted to RMB40,000,000 and RMB3,050,000 respectively. In addition, an unpaid rental of RMB24,258,000 was accrued as at 31 December 2016. In 2017, the Group agreed with the lessor that the Group needs to pay a total amount of RMB30,000,000, including the above mentioned rental payable, to finalise the case. Accordingly, a reversal of estimated compensation to the lessor of RMB35,956,000 was recorded in profit or loss during the year.

10 Senior notes

	2017	2016
	RMB'000	*RMB'000*
Current		
US$160 million senior notes due in 2018		
– Tranche 1 (i)	**645,006**	—
– Tranche 2 (ii)	**397,893**	—
	1,042,899	—
Non-current		
US$160 million senior notes due in 2018		
– Tranche 1 (i)	**—**	676,680
– Tranche 2 (ii)	**—**	428,205
US$60 million senior notes due in 2019 (iii)	**390,964**	414,466
	390,964	1,519,351
	1,433,863	1,519,351

(i) On 15 December 2015, the Company issued senior notes of US$100 million (equivalent to RMB646,261,000) at 99.404% with a coupon annual rate of 13.75%. The senior notes will be due in 2018. The net proceeds from the senior notes, after deducting the transaction costs, of US$96,500,000 (equivalent to RMB623,642,000) was received by the Company on 16 December 2015. Interest expense on the senior notes is calculated using the effective interest rate of 15.25% per annum.

(ii) On 14 September 2016, the Company issued senior notes of US$60 million (equivalent to RMB400,716,000) at 104.81% of the principal amount plus accrued interest with a coupon rate of 13.75% per annum. The senior notes will be due in 2018. The net proceeds from the senior notes, after including interest in arrear and deducting the transaction costs, of US$63,992,000 (equivalent to RMB427,377,000) was received by the Company on 15 September 2016. Interest expense on the senior notes is calculated using the effective interest rate of 12.42% per annum.

(iii) On 30 August 2016, the Company issued senior notes of US$60 million (equivalent to RMB400,872,000) at par with a coupon rate of 11% per annum. The senior notes will be due in 2019. The net proceeds from the senior notes, after deducting the transaction costs, of US$59,720,000 (equivalent to RMB399,002,000) was received by the Company on 30 August 2016. Interest expense on the senior notes is calculated using the effective interest rate of 11.19% per annum. Mr. Wong Choi Hing, a controlling shareholder of the Company and therefore, a connected person of the Company, provides a personal guarantee in favour the performance of the obligations by the Company.

11 Corporate bonds

	2017	2016
	RMB'000	*RMB'000*
Current		
HK$11.5 million corporate bonds (i)	**6,665**	—
Non-current		
HK$11.5 million corporate bonds (i)	**2,590**	9,674
RMB260 million corporate bonds (ii)	**257,180**	—
	259,770	9,674
	266,435	9,674

(i) In 2016, the Company issued certain unlisted bonds totalling HK$11.5 million (equivalent to RMB10,287,000) with a coupon rate of 5.00% to 8.00% per annum. The net proceeds from bonds issued, after deducting the transaction costs, of HK$10,693,000 (equivalent to RMB9,565,000) was received by the Company. Interest expenses on these unlisted bonds are calculated with the effective interest rate of 8.41% to 13.78% per annum respectively.

(ii) During the year, the Group issued certain non-public offering of corporate bonds totalling RMB260 million with a coupon rate of 7.50% per annum. The net proceeds from bonds issued, after deducting the transaction costs, of RMB256,360,000 was received by the Group. Interest expenses on these non-public offering corporate bonds are calculated with the effective interest rate of 8.04% per annum.

12 Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2017	2016
	RMB'000	*RMB'000*
No final dividend proposed after the end of the reporting period (2016: Nil) per ordinary share	**—**	—

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2017	2016
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the following year, of HK Nil cents (2016: HK1.5 cents) per ordinary share	—	51,470

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the Board of Hydoo International Holding Limited, I hereby present the annual results of the Group for FY2017.

FINANCIAL RESULTS

During the Year, the Group's revenue and gross profit were approximately RMB1,792.4 million and RMB715.8 million, respectively (the revenue and gross profit for FY2016: RMB2,335.8 million and RMB1,285.9 million, respectively). Basic earnings per share for FY2017 were RMB6.1 cents (FY2016: RMB8.7 cents).

MARKET AND OPERATION REVIEW

In 2017, China's economy continued to grow steadily and attained a Gross Domestic Product ("**GDP**") of RMB82,712.2 billion, representing an increase of 6.9% compared to last year, with 0.2% increase in growth rate. The tertiary sector experienced an increase of 8.0% over the previous year and a 0.3% increase in growth rate, outperforming the primary and secondary sectors. The tertiary sector's contribution to the economy continued to increase. The final consumption expenditure contributed to 58.8% of the overall economic growth, and consumption demand remained the major driving force of China's economic growth. Strategic emerging industries, high-tech industries and other emerging industries sustained relatively high growth. New momentum has become crucial for maintaining steady economic growth, the quality of which has continuously improved. In 2017, the total investment in property development was RMB10,979.9 billion, representing an increase of 7% compared to 2016, at a growth rate similar to the previous year. Due to large inventory and low sales, the respective growth rate of investments in office building and commercial property development was as low as 3.5% and -1.2%, far below the 9.4% growth rate of investment in residential property development.

For China's property market, regulatory control policies were launched at unprecedented frequency in 2017. Under the policy of "providing guidance by categories, imposing policies by cities", the Group captured opportunities engendered by the property market destocking movement in tier-three and tier-four cities. In 2017, following the principal of steady progression, despite property buyers' wait-and-see attitude, we attained contracted sales of RMB2,718.9 million, representing an increase of 7.6% compared to 2016. In 2017, our Liuzhou Trade Center Project, the Group's new available-for-sale project, achieved outstanding performance in recording contracted sales of approximately RMB1,048.8 million. The success was inseparable from the Group's strategic positioning of the project, close attention to important issues in project development and construction, and formulation of innovative marketing strategies.

In 2017, the Group made important breakthroughs in its cooperation with major merchants. Following its signing of the strategic cooperation agreement with the Group, the Red Star Macalline Group officially entered into the Group's Ganzhou Trade Center which celebrated its grand opening in September 2017. Our Ganzhou Trade Center has an operating area of nearly 70,000 sq.m, home to more than 400 medium to high-end furniture and home furnishing brands, attracting large customer traffic, and has become a basecamp for Ganzhou's home furniture and appliance industry. Meanwhile, following the signing of the strategic cooperation agreement with the Easyhome Investment Group, we commenced cooperation with the Easyhome Investment Group at our Yulin Trade Center and Liuzhou Trade Center in February, bringing new vibe and vitality to our trade centers.

The Groups' regular business has seen a stable growth this year. In 2017, our property management revenue amounted to approximately RMB49.7 million, representing an increase of 18.1% over the previous year. The significant increase in revenue was due to the constant expansion of our property management business and the increase in the number and size of properties under our management.

Moreover, the Group's internally-developed and self-operated shop management software "Yi Zhang Gui (毅掌柜)" and aggregated payment system, "Yi Qi Fu (毅起付)" were officially launched in 2017 at, amongst others, our Mianyang, Ganzhou, Jining, Yantai, Lanzhou Trade Centers, signaling the formation of Hydoo's Internet platform matrix. Our shop management software "Yi Zhang Gui (毅掌柜)", integrates the functions of, amongst others, shop management, payment, sales record management, integrated logistics, supplier integration, financial management and membership marketing, and gathers the best sourcing channels in China to provide easy access for merchants to source quality goods at the best price. Moreover, "Yi Qi Fu (毅起付)" cooperates with several banking institutions, bringing financing, wealth management, insurance and other financial services to its platform, meeting merchants' needs such as fund activation and assets value maintenance and appreciation. "Yi Qi Fu (毅起付)" has helped traditional businesses solve many obstacles, playing an important role in expanding their business while cutting cost. We launched the "Yi Qi Fu (毅起付)" payment system, which is positioned as a channel for aggregated payment, supporting multi-channel access. When a trade order is generated, our payment system enables next-day fund transfer through banks directly to the merchant's business account, ensuring fund safety and lower customer charge rate. Merchants can also access and view their transaction records on mobile devices such as mobile phones anytime and anywhere, with monthly bank reconciliation. Furthermore, in addition to our trade order settlement service, "Yi Qi Fu (毅起付)" also provides smart management service to its users, enabling merchants to access customer and sales data with better accuracy, thereby improving customer stickiness.

Prospects

China's economy has shifted from a phase of rapid growth to a phase of high-quality development. It is envisaged that the macroeconomic policies in 2018 will be based on the new normal of economic development, guided by the new era and new development, and focusing on supply-side structural reform. The policies will aim to enhance the attractiveness and competitiveness of the real economy, improve the allocation of existing resources, enhance innovation-drive, help bring out the fundamental role of consumption, and promote rational growth of effective investments especially in the private sector. The strategic decisions made by the China Central Economic Works Conference send the message that macroeconomic policies will no longer aim for rapid economic growth but to prevent major risk and foster new momentum for economic development instead.

"Regulation and Control" will still be the keynote of China's property market in 2018. With increasingly strict credit policies and control over the funds available in the property industry, financing cost and difficulty in obtaining financing have increased. The Central Economic Works Conference emphasised the necessity to move faster to put in place a housing system that ensures supply through multiple sources, provides housing support through multiple channels, and encourages both housing purchase and renting. It was also made clear that the government aims to improve the long-term mechanism for steady and healthy development of the property market, to maintain the continuity and stability of the regulatory policies over the property market, and to implement differential control. We believe that as a result of stricter property credit policies, the mergers and acquisitions of property companies will accelerate, and the competition in the market will inevitably intensify. In order to seek stable development, the Group will deepen its transformation and risk avoidance efforts, concentrating its resources on developing core businesses whilst fostering emerging businesses in 2^{nd}-and 3^{rd}-tier cities with dense population.

For the development of core businesses, we will take the following key measures. Firstly, we aim to speed up the project development process, funds recovery and cost reduction. We will fully appraise policy factors, reasonably arrange construction time, capture development pace and further improve our adaptability to market changes. Secondly, in relation to customer solicitation, we will implement strategic alliance strategies and cooperate with reputable enterprises to bring out their respective advantages and achieve a win-win situation. Thirdly, we will study advantageous businesses and businesses with high potentials, along with China's policy directions in relation to the property market, to enhance our market insight, enter into new profitable businesses and upgrade our existing core businesses.

For fostering emerging businesses, the Group achieved major breakthroughs in Internet platform construction in the beginning of 2018. In February 2018, we entered into a strategic cooperation agreement with JD.com Inc. ("**JD**") to jointly build the "Boundless Trade Cities" project. Our cooperation includes logistics services, financial services, e-commerce services, technical cooperation and the overall export of our business model. The cooperation aims to promote the digital transformation of traditional commerce and trade cities, commencing both online and offline cooperation, in aim to serve as a model for industrial reform. It will facilitate and push the Group towards the direction of "organic integration of online and offline operation" with the strategic alignment and the restructuring of "national network + regional business hub + industrial cluster", optimising the operating business conditions of offline merchants, supporting local governments in enhancing the local business ecology and ultimately increasing the profit-making capacity of offline merchants through restructuring the cost, efficiency and customer experience of offline merchants, in order to achieve the Group's sustainable development and co-existence with offline merchants.

APPRECIATION

Lastly, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our valued shareholders, customers and business partners for their trust and support, I would also like to thank all our staff for their professionalism and wholehearted commitment.

Wang Jianli
Chairman

Hong Kong, 29 March 2018

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of FY2017 Performance

Contracted Sales Performance

In FY2017, the Group recorded contracted sales of approximately RMB2,718.9 million and contracted sales area of 466,115 sq.m., representing an increase of 7.6% and a decrease of 7.5%, respectively (FY2016: approximately RMB2,527.2 million and 503,870 sq.m.). Contracted sales recorded during the Year were primarily in relation to the pre-sale of properties for projects in Liuzhou, Lanzhou, Bengbu, Heze and Jining.

Details of contracted sales recorded in FY2017 are shown in the table below:

	For the year ended 31 December					
	2017			2016		
	Contracted sales area	**Average contracted sales price (before deduction of value added tax and surcharges)**	**Contracted sales amount (before deduction of value added tax and surcharges)**	**Contracted sales area**	**Average contracted sales price (before deduction of business tax, value added tax and surcharges)**	**Contracted sales amount (before deduction of business tax, value added tax and surcharges)**
	(contracted sales area in sq.m., average contracted sales price in RMB per sq.m. and contracted sales amount in thousands of RMB)					
Liuzhou Trade Center						
Wholesale trading market units	**121,102**	**8,660**	**1,048,778**	—	—	—
Lanzhou Trade Center						
Wholesale trading market units	**74,986**	**5,807**	**435,408**	80,626	6,995	563,959
Bengbu Commercial and Residential Project						
Residence	**69,189**	**4,526**	**313,140**	83,406	3,038	253,370
Heze Trade Center						
Wholesale trading market units	**57,656**	**4,178**	**240,869**	24,765	4,731	117,170
Jining Trade Center						
Residence	**28,174**	**4,801**	**135,273**	33,931	4,432	150,380
Wholesale trading market units	**15,885**	**4,134**	**65,662**	7,977	4,633	36,960
Wuzhou Trade Center						
Wholesale trading market units	**33,629**	**4,620**	**155,372**	63,805	5,326	339,800
Xingning Trade Center						
Wholesale trading market units	**19,600**	**5,908**	**115,790**	47,907	6,034	289,050
Ningxiang Trade Center						
Serviced apartments	**13,928**	**4,237**	**59,011**	700	3,400	2,380

	For the year ended 31 December					
	2017			2016		
	Contracted sales area	**Average contracted sales price (before deduction of value added tax and surcharges)**	**Contracted sales amount (before deduction of value added tax and surcharges)**	**Contracted sales area**	**Average contracted sales price (before deduction of business tax, value added tax and surcharges)**	**Contracted sales amount (before deduction of business tax, value added tax and surcharges)**
	(contracted sales area in sq.m., average contracted sales price in RMB per sq.m. and contracted sales amount in thousands of RMB)					
Ganzhou Trade Center						
Wholesale trading market units	**4,319**	**7,516**	**32,463**	3,235	7,737	25,030
Residence	**5,610**	**4,442**	**24,920**	74,219	4,130	306,498
Shopping mall	**—**	**—**	**—**	110	10,000	1,100
Yulin Trade Center						
Wholesale trading market units	**8,511**	**4,994**	**42,503**	72,977	5,166	377,010
Shopping mall	**—**	**—**	**—**	134	11,791	1,580
Mianyang Trade Center						
Wholesale trading market units	**3,508**	**5,344**	**18,746**	6,519	5,930	38,660
Others	**7,120**	**1,685**	**12,000**	—	—	—
Yantai Trade Center						
Wholesale trading market units	**2,898**	**6,546**	**18,970**	3,559	6,805	24,220
Total	**466,115**	**5,833**	**2,718,905**	503,870	5,016	2,527,167

Land Acquisition and Land Bank

In FY2017, we acquired land-use rights with an aggregate total site area of approximately 313,934 sq.m., which is expected to have an aggregate estimated gross floor area (the "**GFA**") of approximately 561,037 sq.m.. As of 31 December 2017, we had a total land bank of approximately 9.5 million sq.m., and we were simultaneously developing 12 projects in 7 provinces and autonomous regions in China.

Details of land bank for each project are shown in the table below:

	Completed Properties				Properties under Development	Properties Planned for Future Development	
	Actual GFA of completed properties	Saleable GFA of completed properties	Total GFA of properties delivered as of 31/12/2017	Undelivered saleable GFA of completed properties as of 31/12/2017	Estimated GFA of properties under development	Estimated GFA of properties planned for future development	Land bank
	sq.m.	*sq.m.*	*sq.m.*	*sq.m.*	*sq.m.*	*sq.m.*	*sq.m.*
Lanzhou Trade Center	535,158	509,742	197,198	312,544	—	2,454,169	2,766,713
Ganzhou Trade Center	693,777	667,472	557,928	109,544	276,939	2,373,423	2,759,906
Jining Trade Center	678,905	650,995	522,664	128,331	372,622	316,929	817,882
Wuzhou Trade Center	452,759	405,168	250,848	154,320	—	662,061	816,381
Heze Trade Center	247,166	229,424	169,618	59,806	54,680	427,787	542,273
Jiamusi Trade Center	6,344	6,344	—	6,344	—	483,089	489,433
Yulin Trade Center	418,961	364,677	235,325	129,352	16,084	311,412	456,848
Yantai Trade Center	141,040	114,147	33,303	80,844	13,172	191,228	285,244
Liuzhou Trade Center	154,517	154,517	59,011	95,506	34,216	111,228	240,950
Ningxiang Trade Center	382,842	370,175	282,123	88,052	61,518	—	149,570
Mianyang Trade Center	511,435	434,236	389,401	44,835	—	80,321	125,156
Haode Yinzuo	48,650	48,650	38,780	9,870	—	—	9,870
Total	**4,271,554**	**3,955,547**	**2,736,199**	**1,219,348**	**829,231**	**7,411,647**	**9,460,226**

OUR PROJECTS

Lanzhou Trade Center

Lanzhou Trade Center is located in Yuzhong County, Lanzhou, which is next to the community of Lanzhou College. It is located in the south of Qinling Highway and 312 National Road and the north of 309 National Road, and is approximately 15 kilometers from downtown Lanzhou City, 20 kilometers and 80 kilometers from the railway station and airport of Lanzhou City, respectively.

Lanzhou Trade Center is planned to cover a site area of approximately 4.0 million sq.m. and has an aggregate estimated GFA of approximately 6.0 million sq.m, which is expected to be developed at least in two phases. As of 31 December 2017, we had acquired the land-use rights encompassing a total site area of 1,622,080 sq.m., with a total GFA of 2,989,327 sq.m. upon completion.

As of 31 December 2017, for this trade center project, we had completed the construction of wholesale trading markets and a commercial pedestrian street. As part of our future development plan, we are planning to construct shopping malls, residential areas and additional wholesale trading markets.

Ganzhou Trade Center

Ganzhou Trade Center is strategically located in southwestern Jiangxi province near the intersection of Jiangxi, Hunan and Guangdong provinces. Ganzhou lies along a major transportation route connecting the inland areas of China with China's southeastern coast. There are two major railways intersecting in Ganzhou, namely the Jing-Jiu Railway and the Gan-Long Railway.

Ganzhou Trade Center covers a net land area of approximately 1,475,298 sq.m., which is estimated to consist of at least two phases, and is estimated to have a total GFA of approximately 3.3 million sq.m. upon full completion. As of 31 December 2017, we had acquired all the land-use rights for this trade center project.

As of 31 December 2017, we had completed the construction of wholesale trading markets, shopping malls and certain supporting buildings and facilities. We are constructing a food street, a logistics distribution center, warehouses and a residential area. As part of our future development plan, we are planning to construct a commercial and exhibition center, additional shopping malls, residential areas, warehouses, office buildings and hotels.

Jining Trade Center

Jining Trade Center is located approximately six kilometers west of Jining, a prefecture-level city in southwestern Shandong province, and is one of the three major industrial bases in Shandong province. It is easily accessible by a number of connecting bus lines, and lies within ten kilometers of the Jining train station and 30 kilometers of the Jining Qufu airport.

Jining Trade Center is planned to cover a site area of approximately 2.0 million sq.m. and has an aggregate estimated GFA of approximately 3.0 million sq.m., which is expected to be developed in three phases. As of 31 December 2017, we had acquired land-use rights for all of Phase I and Phase II, encompassing a total site area of 975,863 sq.m., and expect a total GFA of 1,368,456 sq.m. upon full completion of Phase I and Phase II.

As of 31 December 2017, for this trade center project, we had completed the construction of wholesale trading markets, a shopping mall and a residential area, and were constructing a shopping mall, a commercial center, a hotel, an office building, a residential area and a commercial and exhibition center. As part of our future development plan, we are planning to construct warehouses, serviced apartments, a residential area and office buildings.

Wuzhou Trade Center

Wuzhou Trade Center is strategically located in Wuzhou, a city in eastern Guangxi near the border of Guangxi and Guangdong provinces. It is approximately 370 kilometers east of Nanning, the capital of Guangxi, and approximately 270 kilometers west of Guangzhou, the capital of Guangdong.

Wuzhou Trade Center is planned to cover a site area of approximately 1.3 million sq.m. and has an aggregate estimated GFA of approximately 2.0 million sq.m., which is expected to be developed in two phases. As of 31 December 2017, we had acquired land-use rights for all of Phase I, encompassing a total site area of 599,642 sq.m with a total GFA of 1,114,820 sq.m. upon full completion of Phase I development.

As of 31 December 2017, for this trade center project, we had completed the construction of wholesale trading markets, shopping malls, a commercial and exhibition center, and certain supporting buildings and facilities. As part of our future development plan, we are planning to construct a residential area, office buildings, serviced apartments, a hotel and additional shopping malls.

Heze Trade Center

Heze Trade Center is located in the city's central Mudan District, along National Highway 220, and is approximately two kilometers from Heze's city center.

Heze Trade Center is planned to cover a site area of approximately 8.0 million sq.m. and has an aggregate estimated GFA of approximately 12.0 million sq.m., which is expected to be developed in three phases. As of 31 December 2017, we had acquired land-use rights for all of Phase I and a portion of Phase II, encompassing a total site area of 587,239 sq.m. with a total planned GFA of approximately 729,633 sq.m. upon completion of the Phase I and Phase II development.

As of 31 December 2017, for this trade center project, we had completed the construction of wholesale trading markets and a commercial center, and were constructing a shopping mall. As part of our future development plan, we are planning to construct office buildings, serviced apartments, additional shopping malls and wholesale trading markets.

Jiamusi Trade Center

Jiamusi Trade Center is located in Jiamusi City, the core city and transportation hub in eastern Heilongjiang. It is located approximately ten kilometers west of Jiamusi's city hall, in the north of Youyi Road (the urban main road), and one kilometer from Ha-Tong Freeway.

Jiamusi Trade Center is estimated to cover a site area of approximately 2.0 million sq.m. and has an aggregate estimated GFA of approximately 3.0 million sq.m., which is expected to be developed in several phases. As of 31 December 2017, we had acquired land use rights for Phase I development, encompassing a total site area of 484,708 sq.m., with a total planned GFA of 489,433 sq.m..

As of 31 December 2017, for this trade center project, we had completed a commercial center. As part of our future development plan, we are planning to construct wholesale trading markets, shopping malls, a hotel and certain supporting buildings and facilities.

Yulin Trade Center

Yulin Trade Center is located approximately two kilometers from Yulin, the fourth largest city in Guangxi, located along the border with Guangdong province. The trade center's northern edge is bounded by Yulin Second Ring Road. It is three kilometers from Guang-Kun Freeway and is within ten kilometers of Yulin train station.

Yulin Trade Center is planned to cover a site area of approximately 1.2 million sq.m. and has an aggregate estimated GFA of approximately 2.0 million sq.m., which is expected to be developed in several phases. As of 31 December 2017, we had acquired land-use rights for all of Phase I, Phase II and a portion of Phase III, encompassing a total site area of 569,706 sq.m. with a total planned GFA of approximately 746,457 sq.m. upon full completion of Phase I, Phase II and Phase III development.

As of 31 December 2017, for this trade center project, we had completed the construction of wholesale trading markets, shopping malls and a commercial and exhibition center, and were constructing additional wholesale trading markets. As part of our future development plan, we are planning to construct a hotel, serviced apartments, residential areas and additional wholesale trading markets.

Yantai Trade Center

Yantai Trade Center is located in southern Zhifu District of Yantai City, west of Shenhai Highway, nine kilometers north of Yantai railway station, east of the Yantai wharf and 9.5 kilometers south of the Laishan International Airport and Rongwu Highway. The location of Yantai Trade Center has exceptional geographical and transportation advantages.

Yantai Trade Center is planned to cover a site area of approximately 1.3 million sq.m. and has an aggregate estimated GFA of approximately 2.4 million sq.m., which is expected to be developed in several phases. As of 31 December 2017, we had acquired land-use rights for all of Phase I, encompassing a total site area of 160,056 sq.m. with a total planned GFA of 345,440 sq.m. upon completion.

As of 31 December 2017, for this trade center project we had completed the construction of wholesale trading markets, we were constructing a commercial center and certain supporting buildings and facilities. As part of our future development plan, we are planning to construct wholesale trading markets, shopping malls, an office building and serviced apartments.

Liuzhou Trade Center

Liuzhou Trade Center is located in Liujiang Town, Liuzhou City, Guangxi Zhuang Autonomous Region. It is located in the east of Xianggui railway and in the south of Liujiang Road.

Liuzhou Trade Center is estimated to cover a site area of approximately 1.2 million sq.m. and has an aggregate estimated GFA of approximately 1.5 million sq.m., which is expected to be developed in several phases. As of 31 December 2017, we had acquired the land-use rights for all of Phase I, encompassing a total site area of 259,577 sq.m., with a total planned GFA of 299,961 sq.m..

As of 31 December 2017, for this trade center project, we had completed the construction of wholesale trading markets, and were constructing additional wholesale trading markets. As part of our future development plan, we are planning to construct wholesale trading markets, shopping malls, office buildings, a commercial center and certain supporting buildings and facilities.

Ningxiang Trade Center

Ningxiang Trade Center is located approximately three kilometers west of the city center of Ningxiang, a county in Changsha, which is the capital of Hunan province. Highway 319 runs along the eastern edge of the Ningxiang Trade Center and provides Ningxiang with convenient access to other key cities in Hunan, such as Changsha, Zhuzhou and Xiangtan.

Ningxiang Trade Center is planned to cover a site area of 1.3 million sq.m. and has an aggregate estimated GFA of approximately 1.2 million sq.m., which is expected to be developed in several phases. As of 31 December 2017, we had acquired land-use rights for all of Phase I, encompassing a total site area of 301,387 sq.m. with a total planned GFA of 444,360 sq.m. upon full completion of Phase I.

As of 31 December 2017, for this trade center project, we had completed the construction of wholesale trading markets, a freight-forwarding market, a commercial and exhibition center, warehouses, a bus terminal and information center, serviced apartments, and were constructing a hotel.

Mianyang Trade Center

Mianyang Trade Center is strategically located in Mianyang, the second largest city in Sichuan Province, approximately 120 kilometers northeast of Chengdu, the capital of Sichuan province, along the key highway and railway that connects Sichuan province and western and northern China.

Mianyang Trade Center covers a net land area of approximately 605,084 sq.m. which is expected to be developed in several phases, and is estimated to have a total GFA of approximately 591,756 sq.m. upon full completion. As of 31 December 2017, we had acquired all the land-use rights for this trade center project.

As of 31 December 2017, for this trade center project, we had completed the construction of wholesale trading markets and certain supporting buildings and facilities. As part of our future development plan, we are planning to construct additional wholesale trading markets and a hotel.

FINANCIAL REVIEW

Revenue

Revenue decreased by RMB543.4 million, or 23.3%, from approximately RMB2,335.8 million for FY2016 to RMB1,792.4 million for FY2017. This decrease was primarily caused by a decrease in revenue from the sales of properties. The following table sets forth our revenue from the sales of properties, property management services, rental income and others during the stated periods:

	For the year ended 31 December			
	2017		2016	
	(RMB'000)	*%*	*(RMB'000)*	*%*
Sales of properties	**1,697,273**	**94.7%**	2,226,617	95.3%
Property management services	**49,664**	**2.8%**	42,092	1.8%
Rental income	**23,901**	**1.3%**	45,130	1.9%
Others	**21,583**	**1.2%**	21,938	1.0%
Total	**1,792,421**	**100.0%**	2,335,777	100.0%

Sales of Properties

Revenue from the sales of properties decreased by RMB529.3 million, or 23.8%, from approximately RMB2,226.6 million for FY2016 to RMB1,697.3 million for FY2017. The decrease of the sales of properties was in line with the decrease in the GFA of properties sold, which decreased by 71,741 sq.m., or 18.1%, from 395,823 sq.m. for FY2016 to 324,082 sq.m. for FY2017. Our revenue from the sales of properties for FY2017 was primarily derived from the sales of wholesale trading market units at our Liuzhou Trade Center, Lanzhou Trade Center, Heze Trade Center and Wuzhou Trade Center.

The following table sets forth the GFA, average sales price and revenue from the properties delivered during the periods indicated:

	For the year ended 31 December					
	2017			2016		
	GFA	**Average sales price**	**Revenue**	GFA	Average sales price	Revenue
	(GFA in sq.m., average sales price in RMB per sq.m. and revenue in thousands of RMB)					
Liuzhou Trade Center						
Wholesale trading market units	**59,010**	**7,815**	**461,158**	—	—	—
Subtotal	**59,010**	**7,815**	**461,158**	—	—	—
Lanzhou Trade Center						
Wholesale trading market units	**59,539**	**5,913**	**352,064**	89,342	7,447	665,306
Subtotal	**59,539**	**5,913**	**352,064**	89,342	7,447	665,306
Heze Trade Center						
Wholesale trading market units	**57,108**	**3,951**	**225,662**	23,422	4,617	108,133
Subtotal	**57,108**	**3,951**	**225,662**	23,422	4,617	108,133
Jining Trade Center						
Residence	**31,163**	**4,453**	**138,769**	55,276	4,198	232,065
Wholesale trading market units	**14,764**	**4,394**	**64,868**	7,938	4,372	34,701
Subtotal	**45,927**	**4,434**	**203,637**	63,214	4,220	266,766

	For the year ended 31 December					
	2017			2016		
	GFA	**Average sales price**	**Revenue**	GFA	Average sales price	Revenue
	(GFA in sq.m., average sales price in RMB per sq.m. and revenue in thousands of RMB)					
Wuzhou Trade Center						
Wholesale trading market units	**29,928**	**4,493**	**134,469**	75,633	5,089	384,881
Subtotal	**29,928**	**4,493**	**134,469**	75,633	5,089	384,881
Xingning Trade Center						
Wholesale trading market units	**21,147**	**5,268**	**111,400**	54,000	5,619	303,452
Subtotal	**21,147**	**5,268**	**111,400**	54,000	5,619	303,452
Bengbu Commercial and Residential Project						
Residence	**21,124**	**3,903**	**82,444**	—	—	—
Subtotal	**21,124**	**3,903**	**82,444**	—	—	—
Yulin Trade Center						
Wholesale trading market units	**12,731**	**4,912**	**62,536**	46,352	4,823	223,553
Shopping mall	**—**	**—**	**—**	172	11,076	1,905
Subtotal	**12,731**	**4,912**	**62,536**	46,524	4,846	225,458
Mianyang Trade Center						
Wholesale trading market units	**3,650**	**5,173**	**18,883**	13,719	5,909	81,059
Others	**7,132**	**1,602**	**11,429**	—	—	—
Subtotal	**10,782**	**2,811**	**30,312**	13,719	5,909	81,059
Yantai Trade Center						
Wholesale trading market units	**4,301**	**5,868**	**25,239**	29,002	6,532	189,428
Subtotal	**4,301**	**5,868**	**25,239**	29,002	6,532	189,428

	For the year ended 31 December					
	2017			2016		
	GFA	**Average sales price**	**Revenue**	GFA	Average sales price	Revenue
	(GFA in sq.m., average sales price in RMB per sq.m. and revenue in thousands of RMB)					
Ganzhou Trade Center						
Wholesale trading market units	**1,750**	**3,423**	**5,990**	—	—	—
Subtotal	**1,750**	**3,423**	**5,990**	—	—	—
Ningxiang Trade Center						
Serviced apartments	**735**	**3,214**	**2,362**	967	2,207	2,134
Subtotal	**735**	**3,214**	**2,362**	967	2,207	2,134
Total	**324,082**	**5,237**	**1,697,273**	395,823	5,625	2,226,617

Property Management Services

Revenue from property management services increased by RMB7.6 million, or 18.1%, from RMB42.1 million for FY2016 to RMB49.7 million for FY2017. This increase primarily reflected the continued expansion of our property management portfolio.

Rental Income

Revenue from rental income decreased by RMB21.2 million, or 47.0%, from RMB45.1 million for FY2016 to RMB23.9 million for FY2017. The decrease was primarily due to the termination of a sub-lease arrangement during the Year.

Cost of Sales

Cost of sales increased by RMB26.7 million, or 2.5%, from RMB1,049.9 million for FY2016 to RMB1,076.6 million for FY2017, primarily reflecting our government grants credited to cost of sales decreased by RMB248.2 million, or 52.9%, from RMB468.8 million for FY2016 to RMB220.6 million for FY2017.

Gross Profit and Margin

As a result of the foregoing, gross profit decreased by RMB570.1 million, or 44.3%, from RMB1,285.9 million for FY2016 to RMB715.8 million for FY2017. Our gross profit margin decreased from 55.1% for FY2016 to 39.9% for FY2017. The decrease in gross profit margin was mainly due to the decrease in our government grants credited to cost of sales.

Other Income

Other income increased by RMB469.8 million, or 2,135.5%, from RMB22.0 million for FY2016 to RMB491.8 million for FY2017. The increase was mainly due to that the net gain on disposal of subsidiaries of RMB198.2 million (FY2016: Nil), income from return of prepaid investment cost of RMB178.6 million (FY2016: Nil), net gain on disposal of other non-current financial assets of RMB123.4 million (FY2016: RMB2.0 million) and fair value loss on derivative financial instrument of RMB22.4 million (FY2016: gain of RMB9.1 million).

Selling and Distribution Expenses

Selling and distribution expenses decreased by RMB2.5 million, or 1.7%, from RMB149.8 million for FY2016 to RMB147.3 million for FY2017. The decrease primarily reflected our continued efforts in enhancing the operating efficiency in managing our sales and marketing activities.

Administrative and Other Operating Expenses

Administrative and other operating expenses decreased by RMB90.5 million, or 16.4%, from RMB552.2 million for FY2016 to RMB461.7 million for FY2017. The decrease primarily reflected a reversal of over-accured estimated compensation of RMB36.0 million in relation to a sub-lease arrangement during the Year (FY2016: expenses of RMB43.1 million).

Fair Value Gain on Investment Properties

In FY2017, the Group transferred certain completed properties held for sale and properties under development for sale to investment properties, since there was a change in use from sale to earning rental income. The Group's investment properties carried at fair value as of 31 December 2017 were valued using the income capitalisation method by Savills Valuation and Professional Services Limited, an independent firm of surveyors. For FY2017, the Group recorded a fair value gain of RMB387.9 million (FY2016: RMB326.5 million).

Finance Income

Our finance income decreased by RMB2.6 million, from RMB8.3 million for FY2016 to RMB5.7 million for FY2017. The decrease reflected a decrease in interest income from our bank deposit in FY2017.

Finance Costs

Our finance costs increased by RMB34.6 million, or 14.4%, from RMB240.4 million for FY2016 to RMB275.0 million for FY2017. The increase was primarily due to the decreased interest expenses capitalised into properties under development during the Year.

Income Tax

Our income tax expense increased by RMB101.4 million, or 28.4%, from RMB357.3 million for FY2016 to RMB458.7 million for FY2017. The increase was primarily due to the increase in provision for PRC land appreciation tax during the Year.

Profit for the Year and Profit Attributable to Equity Shareholders of the Company

As a result of the foregoing, our profit decreased by RMB99.8 million, or 28.1%, from RMB355.1 million for FY2016 to RMB255.3 million for FY2017. Our profit attributable to equity shareholders of the Company decreased by RMB104.7 million, or 29.9%, from RMB350.3 million for FY2016 to RMB245.6 million for FY2017.

Pledged and Restricted Cash

Pledged and restricted cash amounted to RMB857.7 million as of 31 December 2017, compared to RMB1,045.8 million as of 31 December 2016. As of 31 December 2017, the pledged and restricted cash was pledged to banks for certain mortgage facilities granted to purchasers of the Group's properties and pledged for bank loans granted to the Group etc.

Liquidity and Capital Resources

Our primary uses of cash are to pay for the construction costs and land acquisition costs, fund working capital, service our indebtedness, purchase property, plant and equipment for our own use, and other regular business operation needs. To date, we have primarily financed our operational expenditures through internally generated cash flows including proceeds from the pre-sale and sales of properties, equity investments made by our pre-IPO investors, borrowings from commercial banks and other lenders and proceeds from the issuance of overseas notes.

Bank Loans and Other Borrowings

The following table sets forth our outstanding borrowings as of the dates indicated.

	As of 31 December *(RMB'000)*	
	2017	2016
Current		
Secured		
– short-term bank loans and other borrowings	**14,843**	303,773
– current portion of non-current bank loans and other borrowings	**1,158,216**	1,004,280
Unsecured		
– short-term bank loans and other borrowings	**28,800**	—
Subtotal	**1,201,859**	1,308,053
Non-current		
Secured		
– repayable after 1 year but within 2 years	**364,770**	1,196,660
– repayable after 2 years but within 5 years	**421,000**	280,850
– repayable after 5 years	**75,000**	—
Unsecured		
– repayable after 2 years but within 5 years	**1,000**	—
Subtotal	**861,770**	1,477,510
Total	**2,063,629**	2,785,563

Bank loans and other borrowings bear interest rates ranging from 2.12% to 9.03% per annum for FY2017 (FY2016: 2.12% to 9.0% per annum) and are secured by the following assets:

	As of 31 December *(RMB'000)*	
	2017	2016
Completed properties held for sale	**1,476,581**	1,035,441
Properties under development for sale	**1,119,998**	1,370,392
Investment properties	**720,200**	41,900
Properties held for future development for sale	**619,821**	651,499
Property, plant and equipment	**367,070**	377,111
Pledged cash	**325,421**	574,680
Total	**4,629,091**	4,051,023

Contingent Liabilities

We make arrangements with PRC commercial banks so that such banks may provide mortgage facilities to our customers to purchase our properties. In accordance with market practice, we are required to provide guarantees to these banks in respect of mortgages provided to such customers. Guarantees for such mortgages are generally discharged at the earlier of: (i) the due registration of the mortgage interest held by the commercial bank upon the subject property, or (ii) the settlement of mortgage loans between the mortgagee banks and the purchasers. In addition, we are required by the banks to place a security deposit to secure our guarantee obligations. If a purchaser defaults on the mortgage loan, we are typically required to purchase the underlying property by paying off the mortgage loan with any accrued and unpaid interest and penalty based on the loan agreement. If we fail to do so, the mortgagee banks will auction the underlying property and recover the balance from us if the outstanding loan amount exceeds the net foreclosure sale proceeds. Such amount may also be settled through withholding the security deposit we place with the banks. In line with industry practice, we do not conduct independent credit checks on our customers but rely on the credit checks conducted by the mortgagee banks. As of 31 December 2017, our maximum amount of guarantees provided to banks for mortgage facilities granted to our customers amounted to RMB2,512.0 million (FY2016: RMB2,881.8 million).

Commitments

(a) Capital commitments outstanding as at 31 December 2017 contracted but not provided for in the financial statements were as follows:

	As of 31 December *(RMB'000)*	
	2017	2016
Construction and development contracts	**765,895**	1,111,114
Land agreements	**25,981**	240,550
Total	**791,876**	1,351,664

(b) As at 31 December 2017, the total future minimum lease payments under non-cancellable operating lease are payables as follows:

	As of 31 December *(RMB'000)*	
	2017	2016
Within 1 year	**12,950**	13,728
After 1 year but within 2 years	**8,509**	10,250
After 2 years but within 5 years	**26,843**	28,926
After 5 years	**29,498**	37,355
Total	**77,800**	90,259

The Group leased a number of building facilities under operating leases. The leases typically run for an initial period of 1 to 10 years, with an option to renew the lease after that date, at which time all terms are renegotiated. None of the leases includes contingent rentals.

(c) As at 31 December 2017, the total future minimum lease payments under non-cancellable operating leases are receivables as follows:

	As of 31 December *(RMB'000)*	
	2017	2016
Within 1 year	**35,513**	37,043
After 1 year but within 2 years	**29,043**	32,956
After 2 years but within 5 years	**37,391**	72,219
After 5 years	**53,547**	47,662
Total	**155,494**	189,880

The Group leased out a number of properties under operating leases. The leases typically run for an initial period of 1 to 15 years. None of the leases includes contingent rentals.

Key Financial Ratios

The following table sets out our current ratios, gearing ratios and net gearing ratios as of the dates indicated.

	As of 31 December	
	2017	2016
Current ratio(1)	**1.46**	1.76
Gearing ratio(2)	**25.4%**	27.9%
Net gearing ratio(3)	**36.5%**	45.1%

Notes:

(1) Our current ratio is calculated by dividing current assets by current liabilities as of the end of the respective reporting period.

(2) Our gearing ratio is calculated by the Group's total interest bearing borrowings as of the respective reporting period (includes bank loans and other borrowings, senior notes and corporate bonds) divided by total assets as of the end of the respective reporting period and multiplying by 100%.

(3) Our net gearing ratio is calculated by the Group's net debt (aggregated bank loans and other borrowings, senior notes and corporate bonds, net of cash and cash equivalents and restricted cash) divided by the total equity of the Group as of the end of the respective reporting period and multiplying by 100%.

Foreign Exchange Exposure

The Group primarily operates its business in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. Other than certain overseas bank deposits, interests in joint ventures, the Notes and the notes issued in FY2016 denominated in foreign currencies, the Group does not have any material exposure directly due to foreign exchange fluctuations. The Group maintains a conservative approach on foreign exchange exposure management, and manages and reviews its exposure to foreign exchange fluctuations on a regular basis. At times of exchange rate uncertainty or volatility and when appropriate, hedging instruments including swaps and forwards will be used in the management of exposure to foreign exchange fluctuations. In May 2016, the Group entered into a US$100 million currency option agreement and will continue to seek foreign exchange hedging instruments at a reasonable cost to manage foreign exchange risk more effectively.

Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

On 10 August 2017, Shenzhen Hydoo International Holding Limited (深圳市毅德國際控股有限公司) (the "**Vendor**"), an indirect wholly-owned subsidiary of the Company, entered into a share transfer agreement with a third party purchaser (the "**Huaiyuan Purchaser**"), pursuant to which the Vendor agreed to sell to the Huaiyuan Purchaser, and the Huaiyuan Purchaser agreed to acquire from the Vendor, 60% equity interest in Huaiyuan Hydoo City Development Limited (懷遠毅德城發展有限公司) (the "**Subsidiary**"), an indirect non-wholly owned subsidiary of the Company, for a consideration of RMB200,000,000 (the "**Huaiyuan Disposal**"). The Huaiyuan Disposal completed on 20 September 2017, after which the Vendor ceased to hold any equity interest in the Subsidiary, and the Subsidiary ceased to be an indirect non-wholly owned subsidiary of the Company. Please refer to the Company's announcement dated 10 August 2017 for details on the Huaiyuan Disposal.

On 20 September 2017, the Vendor entered into a share transfer agreement with Xingning Hydoo Trade Logistics Centre Limited (興寧毅德商貿物流城有限公司) (the "**Target**"), an indirect non-wholly owned subsidiary of the Company, and a third-party purchaser (the "**Xingning Purchaser**"), pursuant to which the Vendor agreed to sell to the Xingning Purchaser, and the Xingning Purchaser agreed to acquire from the Vendor, 84% equity interest in the Target for a consideration of RMB488,800,000 (the "**Xingning Disposal**"). The Xingning Disposal completed on 28 September 2017, after which the Vendor ceased to hold any equity interest in the Target, and the Target ceased to be an indirect non-wholly owned subsidiary of the Company. Please refer to the Company's announcement dated 20 September 2017 for details on the Xingning Disposal.

Save as disclosed above, the Group had no acquisition and disposal of subsidiaries, associated companies and joint ventures during FY2017.

Restriction on Sales

As of 31 December 2017, we were simultaneously developing 12 projects in 7 provinces and autonomous regions in China. Under the terms of certain master investment agreements with local government authorities regarding the development, such as our agreements with regards to trade centers in Ningxiang, Mianyang, Ganzhou, Liuzhou and Nanchang, we are required to maintain certain portions of the trade center properties, typically 20%-30% in terms of GFA, for self-use or leasing purpose. We believe that such requirement is in line with our overall development plan for these projects. Except for the conditions mentioned above, there is no restriction on sales of the land acquired by the Group.

Human Resources

As at 31 December 2017, the Group had a workforce of 1,254 people (FY2016: approximately 1,786 people). The number of staff had decreased by 29.8% since 31 December 2016. During FY2017, the total employee benefit expenses amounted to RMB253.2 million, decreased by 12.4% (FY2016: RMB288.9 million). We actively recruit skilled and qualified personnel in the Chinese local markets, including students graduated from universities as well as personnel with relevant work experience. For the senior management team and selected management positions, we also seek to recruit personnel with international experience. The remuneration package of our employees includes salary, bonuses and other cash subsidies. In general, we determine employee salaries based on each employee's qualifications, experience, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis of our determinations on salary raises, bonuses and promotion. As at 31 December 2017, the number of outstanding share options granted by the Company to its directors (the "**Directors**") and employees is 56,055,000 shares.

FINAL DIVIDENDS

The Board does not recommend the payment of a final dividend for FY2017.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 11 May 2018 to 16 May 2018, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the Company's forthcoming annual general meeting ("**AGM**"), all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 10 May 2018.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this announcement, the Company has maintained the public float of its issued shares as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company and its subsidiaries have not purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange.

CORPORATE GOVERNANCE

The Board is of the opinion that the Company had complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules during the Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions Conducted by the Directors of Listed Issuers (the "**Model Code**") set forth in Appendix 10 of the Listing Rules as the code of conduct of the Company for Directors' securities transactions. Having made specific enquiry to all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Year. Employees who are, or likely to be, in possession of unpublished inside information in relation to the Company or its shares are prohibited from dealing in the shares of the Company during the black-out period.

AUDIT COMMITTEE

The Company established the Audit Committee on 27 September 2013 in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules and the roles and responsibilities delegated to the Audit Committee by the Board. The revised terms of reference has been adopted by the Board on 29 December 2015 to comply with the new CG Code which became effective on 1 January 2016. The Audit Committee consists of two independent non-executive Directors and one non-executive Director. The three members are Mr. Lam Chi Yuen Nelson, the chairman of the Audit Committee and an independent non-executive Director, Mr. Zhao Lihua, an independent non-executive Director, and Mr. Yuan Bing, a non-executive Director. The primary duties of the Audit Committee are to review the financial information of the Company, to oversee the financial reporting process, risk management and internal control systems of the Group, to oversee the audit process, to make recommendation on the appointment, re-appointment and removal of external auditor and to perform other duties and responsibilities as assigned by the Board.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 27 September 2013 with written terms of reference in compliance with the CG Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules and the roles and the responsibilities delegated to the Remuneration Committee by the Board. The Remuneration Committee comprises two independent non-executive Directors and one executive Director. The three members are Mr. Wang Lianzhou, the chairman of the Remuneration Committee and an independent non-executive Director, Mr. Lam Chi Yuen Nelson, an independent non-executive Director, and Mr. Wang Jianli, an executive Director. The primary duties of the Remuneration Committee are to make recommendations to the policy and structure of the remuneration for Directors and senior management and to review and approve the compensation payable to Directors and members of senior management.

The primary goal of the Group's remuneration policy for executive Directors is to enable the Company to retain and motivate executive Directors by linking their compensation with their individual performance. The remuneration package includes basic salary, performance and/or discretional bonus, participation in the pre-IPO share option scheme ratified and approved by the Company on 20 March 2013 (the "**Pre-IPO Share Option Scheme**") and other benefits. Remuneration of the non-executive Director includes mainly the Director's fee, which is a matter for the Board to decide by reference to the duties and responsibilities of the non-executive Director. Remuneration of the independent non-executive Directors includes the Director's fee which is determined by the Board based on the duties and responsibilities of independent non-executive Directors and their participation in the Pre-IPO Share Option Scheme. Remuneration package of all Directors and members of senior management of the Company has been reviewed and approved by the Remuneration Committee.

NOMINATION COMMITTEE

The Company established the Nomination Committee on 27 September 2013 with written terms of reference in compliance with the requirements of the CG Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules and the roles and the responsibilities delegated to the Nomination Committee by the Board. The Nomination Committee comprises two independent non-executive Directors and one executive Director. The three members are Mr. Zhao Lihua, the chairman of the Nomination Committee and an independent non-executive Director, Mr. Wang Lianzhou, an independent non-executive Director, and Mr. Wang Jianli, an executive Director. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board and make recommendations to the Board on the appointment and removal of Directors. In the nomination procedures, the Nomination Committee makes reference to criteria including candidates' reputation, integrity, accomplishment, experience and professional and educational background.

CONNECTED TRANSACTION

The Board confirmed that, during FY2017, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this announcement pursuant to the Listing Rules.

REVIEW OF ANNUAL RESULTS

The Company's annual results for the year ended 31 December 2017 have been reviewed by the Audit Committee, which opines that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made. The Audit Committee is satisfied with their review of the remuneration and the independence of the auditors, KPMG, and recommended the Board to re-appoint KPMG as the Company's auditors for the year of 2018, which is subject to the approval of the Shareholders at the AGM.

SCOPE OF WORK OF KPMG

The financial figures as set forth in this announcement have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the Year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KPMG.

ANNUAL GENERAL MEETING

The AGM will be held on 16 May 2018. A notice convening the AGM will be published and dispatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON WEBSITE OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.hydoo.com.cn**. The annual report of the Company for the year ended 31 December 2017 will be dispatched to Shareholders on or about 6 April 2018 and will be available on the above websites in due course.

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

Hong Kong, 29 March 2018

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