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China Ludao Technology Company Limited

中國綠島科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2023)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 7 March 2014.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of China Ludao Technology Company Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 7 March 2014.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement has been published by the Securities and Futures Commission (the “**SFC**”) on 17 March 2014 (the “**SFC Announcement**”).

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC's findings indicated that as at 7 March 2014, 15 Shareholders held an aggregate of 72,180,000 Shares of the Company (“**Shares**”), representing 18.04% of the issued Shares. Such shareholding, together with 300,000,000 Shares held aggregately by two substantial shareholders, namely Ludao China Investment Holdings Limited and Neland Development Limited (in aggregate representing 75% of the issued Shares), represented 93.04% of the issued Shares as at 7 March 2014. Therefore, only 27,820,000 Shares (representing 6.96% of the issued Shares) were held by other shareholders.

According to the SFC Announcement, as at 7 March 2014, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Ludao China Investment Holdings Limited (<i>Note 1</i>)	270,300,000	67.58
Neland Development Limited (<i>Note 2</i>)	29,700,000	7.42
A group of 15 shareholders	72,180,000	18.04
Other shareholders	27,820,000	6.96
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Total	<u>400,000,000</u>	<u>100.00</u>

Note 1: Ludao China Investment Holdings Limited is wholly owned by Mr. Yu Yuerong, an executive Director of the Company.

Note 2: Neland Development Limited is solely owned by China Flavors and Fragrances Co., Limited, which is currently listed on the Main Board of the Stock Exchange (Stock Code: 3318).

The information above is extracted from the SFC Announcement and the Company has not independently verified such information. Please also refer to the SFC Announcement for other information.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the board of directors (the “**Board**”) of the Company after making all reasonable enquiries of its connected persons, the Company confirms that not less than 25% of the Company’s issued Shares are in the hands of the public as at 7 March 2014 and the date of this announcement and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on the Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By order of the Board
China Ludao Technology Company Limited
Yu Yuerong
Chairman and Executive Director

Hong Kong, 17 March 2014

As at the date of this announcement, the Board comprises Mr. Yu Yuerong, Mr. Han Jianhua and Ms. Pan Yili as the executive Directors, and Mr. Wong Chi Wai, Ms. Cho Mei Ting and Mr. Ruan Lianfa as the independent non-executive Directors.