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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)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION AGREEMENT

This announcement is made by China Ludao Technology Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. This announcement is intended to enable our shareholders and potential investors to understand the latest business development update of the Group.

STRATEGIC COOPERATION AGREEMENT

The board of directors (the “**Board**”) of the Company is pleased to announce that on 12 July 2016, Zhejiang Ludao Technology Company Limited (“**Ludao PRC**”), a wholly-owned subsidiary of the Company, and Jaslong (Bengbu) Auto Parts Multiple Company Limited* (集勝隆(蚌埠)汽配貿易連鎖有限公司) (“**Jaslong Auto**”) entered into a strategic cooperation agreement (the “**Agreement**”) pursuant to which Ludao PRC and Jaslong Auto will establish a strategic cooperation relationship to jointly develop and promote the Company’s aerosol products for auto care for a term of three years.

* *For identification purpose only*

Date of the Agreement

12 July 2016

Parties to the Agreement

- (a) Ludao PRC; and
- (b) Jaslong Auto

Principal terms of the Agreement

The principal terms of the Agreement are set out as below.

- (i) Ludao PRC and Jaslong Auto will jointly design and develop aerosol products for auto care and Ludao PRC will manufacture such aerosol products for auto care for Jaslong Auto;
- (ii) The price charged by Ludao PRC to Jaslong Auto will be no less favourable than terms available to third parties; and
- (iii) During the first year term of the Agreement, Jaslong Auto shall purchase no less than 20 million cans of aerosol products for auto care from Ludao PRC. In each of the second and third year term of the Agreement, subject to an annual marketing expenditure on aerosol products for auto care of no less than RMB5 million by Ludao PRC, Jaslong Auto shall purchase no less than 50 million cans of aerosol products for auto care annually from Ludao PRC.

INFORMATION OF THE PARTIES

Ludao PRC is a company with limited liability established in The People's Republic of China ("PRC") and an indirect wholly-owned subsidiary of the Company. Ludao PRC is principally engaged in manufacturing and selling of aerosol products.

Jaslong Auto is a company with limited liability established in the PRC and an indirect non-wholly owned subsidiary of Bengbu Phoenix International Company Limited, whose shares are listed on the National Equities Exchange and Quotations (Stock code: 832000) in the PRC. Jaslong Auto is principally engaged in operation of chain stores for the trading of auto parts and supplies in the PRC.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, Jaslong Auto and its ultimate beneficial owners are independent of, and not connected with, the Company and any of its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited).

REASONS FOR AND BENEFITS OF THE AGREEMENT

The Group is principally engaged in manufacturing and sale of aerosol products for household and auto care, air fresheners, personal care and insecticides. As Jaslong Auto has established its auto care operations in a number of major cities in the PRC, the Board is of the view that the entering of the Agreement will allow the Group to leverage on the experience and platform of Jaslong Auto to develop, expand and promote its brand in the aerosol products for auto care market in the PRC, which is in the interest of the Company and its shareholders as a whole.

For and on behalf of the Board
China Ludao Technology Company Limited
Yu Yuerong
Chairman and Executive Director

Hong Kong, 12 July 2016

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