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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)

COMPLETION OF PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Sole Placing Agent



Reference is made to the announcement of China Ludao Technology Company Limited (the “**Company**”) dated 15 September 2021 in relation to, among others, the placing of the Convertible Bonds under General Mandate (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement, unless otherwise defined.

COMPLETION OF THE PLACING

The Board is pleased to announce that all conditions precedent of the Placing Agreement have been fulfilled and Completion took place on 4 October 2021 in accordance with the terms and conditions of the Placing Agreement. The Convertible Bonds in an aggregate principal amount of HK\$93,300,000 have been issued to Essence International Advanced Products and Solutions SPC – Essence Smok Fund SP (the “**Bondholder**”).

The Bondholder is a segregated portfolio under Essence International Advanced Products and Solutions SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands. Its management shares are held by Essence International Financial Holdings (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, the Bondholder and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The net proceeds from the Placing (after deducting placing commission and other relevant costs and expenses) amounted to approximately HK\$92.2 million. As disclosed in the Announcement, the net proceeds are intended to be used as to (i) approximately 51.4% for the construction of factories and plants; (ii) approximately 46.4% for the repayment of note and bank borrowings; and (iii) approximately 2.2% for the general working capital of the Group.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the date of this announcement; and (b) upon conversion of the Convertible Bonds in full are set out below:

Shareholders	As at the date of this announcement		Upon conversion of the Convertible Bonds in full	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Ludao China Investments Holdings Limited	240,812,000	48.97	240,812,000	44.72
Mr. Wang Xiaobing – Director	1,200,000	0.24	1,200,000	0.22
The Bondholder	–	–	46,650,000	8.66
Other public Shareholders	249,788,000	50.79	249,788,000	46.39
	<u>491,800,000</u>	<u>100.00</u>	<u>538,450,000</u>	<u>100.00</u>

Note: Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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

4 October 2021

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Yu Yuerong, Ms. Pan Yili, and Mr. Wang Xiaobing; and three independent non-executive Directors, namely Mr. Chan Yin Tsung, Mr. Ruan Lianfa and Ms. Yau Kit Kuen Jean.