



17 March 2014

**High Concentration of Shareholding
in
China Ludao Technology Company Limited (Stock Code: 2023)**

This announcement is made by the Securities and Futures Commission (“SFC”) 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 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 of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as of 7 March 2014, 15 shareholders held an aggregate of 72,180,000 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 approximately 6.96% of the issued Shares were held by other investors.

As at 7 March 2014, the shareholding structure of the Company is as follows:

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

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

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



The Company was listed on the Stock Exchange of Hong Kong Limited on 11 October 2013 by offering a total of 100 million shares, representing 25% of the issued Shares at \$0.8 per share. Share price of the Company closed at HK\$0.92 on the first day of listing, and then eased to close at a low of HK\$0.69 on 24 December 2013. During the period from 24 December 2013 to 7 March 2014, price of the Shares surged substantially by 71% from the closing price of HK\$0.69 on 24 December 2013 to the closing price of HK\$1.18 on 7 March 2014. In this period, the Company did not publish any announcement.

As of 14 March 2014, price of the Shares closed at HK\$1.25, representing an increase of 81% from the closing price of HK\$0.69 on 24 December 2013.

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.

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