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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: SUBMISSION OF INVESTMENT PROPOSAL IN RESPECT OF POSSIBLE LANDS ACQUISITION

This announcement is made by China Ludao Technology Company Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") on a voluntary basis.

The board ("**Board**") of directors of the Company is aware that two industrial land and ancillary land located in Sanmen County Zhejiang Province of the People's Republic of China (the "**PRC**") with approximately 25 hectares (or 375 mu) and 5 hectares (or 75 mu) (the "**Lands**") reserved for the construction of manufacturing facilities of aerosol, head office building, research and development centre, office building, quality control and testing centre and employee quarters etc. respectively have been planned by the People's Government of Sanmen County for the development of an aerosol health industrial park. Given that the Lands would complement the Group's main line of business, being the manufacture and sale of aerosol and related products, on 21 May 2019, the Company, via Zhejiang Ludao Industrial Co, Ltd, an indirectly wholly-owned subsidiary, submitted an investment proposal (the "**Investment Proposal**") to the People's Government of Sanmen County for the possible acquisition (the "**Possible Acquisition**") of the Lands. The Investment Proposal is subject to the legal tender procedure to be carried out by the People's Government of Sanmen County.

The Group is principally engaged in the research and development, manufacture and sale of aerosol and related products. As disclosed in the annual report of the Company for the year ended 31 December 2018, the Company has planned to continue upgrading the existing production line in the future for the sake of improving the automatic level and production quality, and investing and developing projects for the research and development, manufacture and sale of medical and edible aerosol products through its joint venture entity in the PRC. The Company intends to use the Lands for the construction of manufacturing facilities for the Group's various aerosol products and ancillary facilities. The Possible Acquisition would therefore be an appropriate opportunity for the Group to meet its expansion plan in terms of location, area and timing. According to the information available to the Board, the People's Government of Sanmen County would provide support to Zhejiang Ludao Industrial Co, Ltd. including government incentive or subsidy. As such, the Board considers that the Possible Acquisition would be in the interests of the Company and its shareholders as a whole.

If the Possible Acquisition materialises, it would constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). In this regard, further announcement(s) will be made by the Company as and when required pursuant to the Listing Rules.

As the Possible Acquisition may or may not proceed, shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Ludao Technology Company Limited
中國綠島科技有限公司
Mr. Yu Yuerong
Chairman and executive Director

Hong Kong, 21 May 2019

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yu Yuerong, Mr. Tan Xiangdong, Mr. Chen Baoyuan, Ms. Pan Yili, and Mr. Wang Xiaobing; one non-executive director, namely Mr. Tian Tingshan; and three independent non-executive directors, namely Mr. Chan Yin Tsung, Mr. Ruan Lianfa and Ms. Yau Kit Kuen Jean.