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## **英達公路再生科技(集團)有限公司**

**Freotech Road Recycling Technology ( Holdings ) Limited**

*(incorporated in the Cayman Islands with limited liability)*

*(Stock Code: 6888)*

### **ADOPTION OF SHARE AWARD SCHEME**

The Board resolved on 7 May 2014 to adopt the Scheme, pursuant to which the Shares will be purchased by the Trustee from the market out of cash contributed by the Group and be held on trust for the Employees until such Shares are vested with the relevant Selected Employees in accordance with the provisions of the Scheme.

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded under the Scheme exceeding three per cent. of the issued share capital of the Company from time to time. The Board has resolved to transfer HK\$20,000,000 to the Trustee and may pay further sums from time to time to enable the Trustee to exercise its powers to purchase Shares on the market.

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The Scheme is not subject to the provisions of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval is required for adoption or implementation of the Scheme.

A summary of the Scheme Rules is set out below.

## **SUMMARY OF THE SCHEME RULES**

### **Purposes and objectives**

The specific objectives of the Scheme are to recognize the contributions by certain Employees and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

### **Duration**

Subject to any early termination as may be determined by the Board, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

### **Administration**

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed.

The Trustee shall hold the Shares and the income derived therefrom in accordance with the terms of the Trust Deed.

### **Scheme Limit**

The Board shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board under the Scheme exceeding three per cent. of the issued share capital of the Company from time to time.

The maximum number of shares which may be awarded to a Selected Employee under the Scheme shall not exceed one per cent. of the issued share capital of the Company from time to time.

### **Operation of the Scheme**

The Board may from time to time cause to be paid a Contributed Amount to the Trust by way of settlement or otherwise which shall constitute part of the Trust Fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

In connection with the implementation of the Scheme, the Board may from time to time instruct the Trustee to purchase the Shares on the Stock Exchange and to hold them in trust for the benefit of the Employees on and subject to the terms and conditions of the Scheme Rules and the Trust Deed.

Subject to the provisions of the Scheme, including but not limited to the restrictions and scheme limits set out above, the Board may, from time to time, at its absolute discretion select any Employee (other than any Excluded Employee) for participation in the Scheme as a Selected Employee, and grant such number of Awarded Shares to any Selected Employee at no consideration on and subject to such terms and conditions as it may in its absolute discretion determine.

### **Vesting of Awarded Shares**

Subject to the terms and condition of the Scheme and the fulfilment (or waiver) of all vesting conditions to the vesting of the Awarded Shares on such Selected Employee the respective Awarded Shares held by the Trustee on behalf of the Selected Employee shall vest in such Selected Employee and the Trustee shall cause the Awarded Shares to be transferred to such securities account of the Selected Employee.

Upon the vesting of the Awarded Shares, unless otherwise agreed between the Board and the Trustee, thirty (30) Business Days prior to the Vesting Date, the Company shall send to the relevant Selected Employee (with a copy to the Trustee) a vesting notice (the “**Vesting Notice**”) together with the prescribed transfer documents which it requires the Selected Employee to execute to effect the vesting and transfer of the Awarded Shares.

Subject to the receipt by the Trustee of (a) the transfer documents prescribed by the Trustee and duly signed by the Selected Employee within the period stipulated in the Vesting Notice and (b) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall transfer the relevant Awarded Shares to the relevant Selected Employee as soon as practicable after the Vesting Date and in any event not later than 10 Business Days after the Vesting Date.

In respect of a Selected Employee who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Selected Employee shall be deemed to be vested on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

In the event of the death of a Selected Employee, the Trustee shall hold the vested Awarded Shares (hereinafter referred to as “**Benefits**”) upon trust and to transfer the same to the legal personal representatives of the Selected Employee and the Trustee shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within (a) two years of the death of the Selected Employee (or such longer period as the Trustee shall agree from time to time) or (b) the Trust Period (whichever is shorter) upon trust to transfer the same to the legal personal representatives of the Selected Employee, or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held as Returned Shares for the purposes of the Scheme. The Benefits held upon the trusts thereof shall until transfer is made in accordance therewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the Trust Fund.

### **Lapse of the Award**

In the event that prior to or on the Vesting Date in respect of a Selected Employee, the relevant Selected Employee ceases to be an Employee, or the Subsidiary by which a Selected Employee is employed ceases to be a subsidiary of the Company, or an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company, the Award shall automatically lapse forthwith and the Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.

In the event that prior to or on the Vesting Date, a Selected Employee is found to be an Excluded Employee or a Selected Employee fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period, the relevant part of an Award made to such Selected Employee shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Scheme.

### **Restrictions**

Prior to the Vesting Date, any Award made hereunder shall be personal to the Selected Employee to whom it is made and shall not be assignable and no Selected Employee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Reference Amount or the Awarded Shares referable to him pursuant to such Award.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

## **Termination**

The Scheme shall terminate on the earlier of (i) the tenth (10<sup>th</sup>) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board. Termination of the Scheme shall not affect any subsisting rights of any Selected Employee under the Scheme.

## **Definitions**

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Adoption Date”	7 May 2014, being the date on which the Board adopted the Scheme Rules for the establishment of the Scheme;
“Award”	an award of Shares purchased with the Awarded Amount to a Selected Employee pursuant to the Scheme ;
“Awarded Amount”	in respect of a Selected Employee, the awarded amount as determined by the Board;
“Awarded Share(s)”	in respect of a Selected Employee, such number of Shares purchased with the Awarded Amount and allocated by the Trustee from the total number of Shares purchased by the Trustee on the market out of cash paid by the Company by way of settlement to the Trustee pursuant to the Scheme or such number of Returned Shares awarded by the Board;
“Board”	the board of Directors of the Company and if the context so permits, it shall include such committee or sub-committee or person(s) from time to time delegated with the power and authority by the board of directors of the Company to administer the Scheme;
“Business Day”	a day (other than Saturday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong;
“Company”	Freotech Road Recycling Technology (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on main board of the Stock Exchange (Stock Code: 6888);
“Contributed Amount”	cash paid or made available to the Trust by way of settlement or otherwise contributed by the Company and/or its Subsidiaries as permitted under the Scheme to the Trust as determined by the Board from time to time;
“Directors”	directors of the Company;

“Employee”	any individual being an employee (including without limitation any executive director) of any member of the Group at any time during the Trust Period;
“Excluded Employee”	at the time of the proposed grant of an Award, any employee whose service in the Group does not exceed one year from the expiry date of his probationary period as stated in his employment contract with the Group (if any); any Employee who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Employee;
“Group”	the Company, its Subsidiaries and such entities which are considered as subsidiaries of the Company under the applicable accounting standard and policy;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Reference Amount”	the sum of (i) the Awarded Amount and (ii) the related purchase expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee) and such other necessary expenses required for the completion of the purchase of all the Awarded Shares for the relevant Selected Employee;
“Residual Cash”	in respect of a Selected Employee, being cash remaining in the Trust Fund in respect of his Award (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of his Awarded Shares;
“Returned Shares”	such Awarded Shares which are referable to a Selected Employee and which are not vested and/or forfeited in accordance with the terms of the Scheme (whether as a result of lapse or otherwise), or forfeited in accordance with the terms of the Scheme, or such Shares being deemed to be Returned Shares in accordance with the terms of the Scheme;
“Scheme”	means the “Freotech Share Award Scheme” constituted by the Scheme Rules, in its present form or as amended from time to time in accordance with the provisions thereof;
“Scheme Rules”	means the Rules relating to the Scheme, in its present form or as amended from time to time in accordance with the provisions thereof;
“Selected Employee(s)”	Employee(s) selected by the Board for participation in the

	Scheme;
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	the trust deed entered into between the Company and the Trustee (as restated, supplemented and amended from time to time);
“Trust Fund”	<p>(a) all Shares acquired by the Trustee for the purpose of the Trust out of (i) cash paid to the Trustee by way of settlement or otherwise contributed by the Company and such other person and (ii) cash income or net proceeds of sale of non-cash and non-scrip distribution in respect of the Shares so held under the Trust, Residual Cash and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the Shares held upon the Trust; and</p> <p>(b) all other properties from time to time representing (a) above;</p>
“Trust Period”	<p>means the period beginning with the Adoption Date and ending upon the first to happen of the following, namely:</p> <p>(a) 7 May 2024 (being the expiry of the period of 10 years beginning from the Adoption Date); or</p> <p>(b) the date when an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company); or</p> <p>(c) such date of early termination as determined by the Board;</p>
“Trustee”	Bank of Communications Trustee Limited, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed; and
“Vesting Date”	in respect of a Selected Employee, the date on which his entitlement to the Awarded Shares accrues in accordance with the conditions as imposed by the Board under the Scheme or is deemed to have accrued under the Scheme.

By order of the Board  
**Freetech Road Recycling Technology  
(Holdings) Limited**  
**Sze Wai Pan**  
*Chairman*

Hong Kong 16 May 2014

*As at the date of this announcement, the executive Directors are Mr. Sze Wai Pan, Ms. Sze Wan Nga, Mr. Zhang Yifu and Mr. Chan Kai King; the non-executive Directors are Mr. Yeung Chin Chiu and Mr. Wang Lei; and the independent non-executive Directors are Ms. Yeung Sum, Mr. Tang Koon Yiu Thomas and Mr. Lau Ching Kwong.*