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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)*

### PROFIT WARNING

This announcement is made by Freotech Road Recycling Technology (Holdings) Limited (the **“Company”**) and together with its subsidiaries, the **“Group”**) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the **“Board”**) wishes to inform the shareholders of the Company (the **“Shareholders”**) and potential investor that the Group is expected to record a significant decline in profit for the six months ended 30 June 2014 as compared to that for the corresponding period in the previous year, notwithstanding that the Company expects the total area serviced of the asphalt pavement maintenance (the **“APM”**) services segment for the same period remains stable. Such expected significant decline in profit was mainly attributable to:

- significant decrease in revenue of APM equipment segment due to the number of new joint venture being set up and the number of modular series being sold were significantly declined;
- decrease in gross profit margin of APM services segment due to part of the APM services project was performed in lower selling price area; and
- increase in operating costs.

Nevertheless, in view of:

- 1) the overall sustained growth of the APM industry in the People's Republic of China (the **“PRC”**), the existing penetration rate of recycling technology (including the Group's **“Hot-in-Place”** recycling technology) is still very low, the Company believes that there is great potential for the long term development of our Group's business;
- 2) the Ministry of Transport will conduct road inspections on highways in the second half of 2015 to check the quality and condition of the road maintenance work, the Company believes that the volume on the APM services segment in 2015 will significantly increase; and
- 3) the Group has strong research and development capabilities which widen the application of **“Hot-in-Place”** technology from road maintenance projects into road expansion and reconstruction project and airport runway project. In addition, the Group will start to develop international market.

The Board remains confident about the Group's long term prospects.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to the Group, which has not yet been audited or reviewed by the auditor of the Company. The unaudited consolidated interim results announcement of the Company for the six months ending 30 June 2014 is expected to be released in August 2014.

**Shareholders and potential investors are advised to exercise caution when dealing in the ordinary shares of the Company.**

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

Hong Kong, 11 July 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.*