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英達公路再生科技(集團)有限公司

Freetech Road Recycling Technology (Holdings) Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6888)

FORMATION OF JOINT VENTURE COMPANY WITH COSCO (H.K.) INDUSTRY & TRADE HOLDINGS LIMITED

The Board is pleased to announce that on 12 July 2014, Freetech BVI, a direct wholly-owned subsidiary of the Company and COSCO (H.K.) Industry and Trade, an indirect wholly-owned subsidiary of COSCO Group entered into a Shareholders Agreement in relation to the establishment of the JV Company. The JV Company will primarily take advantage of the resources of both parties to widely promote the application of the Group's "Hot-in-Place" recycling technology in agreed region. Upon the establishment of the JV Company, Freetech BVI and COSCO (H.K.) Industry and Trade will own 51% and 49% of the shareholding interest in the JV Company respectively.

The transaction contemplated under the Shareholders Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios under Rule 14.07 of the Listing Rules were less than 5%. This announcement is made by the Company on a voluntary basis.

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THE SHAREHOLDERS AGREEMENT

Date:

12 July 2014

Parties:

- (1) Freetech BVI, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company; and
- (2) COSCO (H.K.) Industry and Trade, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of COSCO Group.

To the best of the knowledge of the Directors, having made all reasonable enquiry, COSCO (H.K.) Industry and Trade and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Establishment of the JV Company

Freetech BVI and COSCO (H.K.) Industry and Trade agreed to establish the JV Company. The JV Company is to be incorporated in Hong Kong with limited liability, and the share capital of which shall be owned as to 51% by Freetech BVI and 49% by COSCO (H.K.) Industry and Trade.

Upon incorporation of the JV Company, it primarily plans to widely promote the application of the Group's "Hot-in-Place" recycling technology in agreed region. The JV Parties intend that the JV Company will lead the development of low-carbon economy and cyclical economy in the road maintenance industry in the agreed region.

Capital contribution

The share capital of the JV Company shall be HK\$50,000, which shall be contributed as to 51% (equivalent to HK\$25,500) by Freetech BVI and as to 49% (equivalent to HK\$24,500) by COSCO (H.K.) Industry and Trade. Upon incorporation of the JV Company, both parties propose to set up a joint venture company in the PRC with a local enterprise in agreed region and plan to invest RMB40,000,000 according to the shareholding ratio. The capital contribution was determined after arm's length negotiation of the JV Parties with reference to the initial capital requirement of the JV Company.

Board composition

The board of directors of the JV Company shall consist of seven (7) directors, four (4) of whom shall be nominated by Freetech BVI and three (3) of whom shall be nominated by COSCO (H.K.)

Industry and Trade. The JV Company shall adopt a system of retirement by rotation at 3-year intervals for the chairman and vice chairman of its board of directors. The initial first chairman and vice chairman of the board of directors shall be nominated by Freetech BVI and COSCO (H.K.) Industry and Trade respectively.

Increase or transfer of equity interests

The Shareholders Agreement contains certain pre-emption rights in relation to the raising of further equity capital and the transfer of shares by the JV Parties.

INFORMATION ABOUT THE JV PARTIES

Freetech BVI, a direct wholly-owned subsidiary of the Company and is principally engaged in investment holding.

COSCO (H.K.) Industry and Trade, an indirect wholly-owned subsidiary of COSCO Group and is principally engaged in managing and operating investment projects relating to technology, highway and industry in the PRC and overseas.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE JV COMPANY

The continuous growth in the overall asphalt pavement maintenance service industry in the PRC and the low penetration rate of recycling technology (including the Group's "Hot-in-Place" recycling technology) within that industry provide great opportunities for development. Upon the establishment of the JV Company, both parties can take advantage of their business advantages, integrate their resources, promote a wider application of the "Hot-in-Place" recycling technology within agreed region, advance the development of a low carbon economy and a cyclical economy and to enhance the Company's core competitiveness, increase the Company's economic efficiency, and obtain satisfactory economic benefits to JV Parties. The Directors consider that the business of the JV Company is promising and has great growth potential, and will become an important part in the Group's overall development strategy.

The Directors are of the view that the formation of the JV Company is in the usual and ordinary course of business of the Group, and that the terms of the Shareholders Agreement are on normal commercial terms, fair and reasonable and the transaction contemplated under the Shareholders Agreement is in the interests of the Company and the shareholders as a whole.

The transaction contemplated under the Shareholders Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios under Rule 14.07 of the Listing Rules were less than 5%. This announcement is made by the Company on a voluntary basis.

DEFINITIONS

The following expressions in this announcement shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors of the Company;
“Company”	Freotech Road Recycling Technology (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 6888);
“COSCO (H.K.) Industry and Trade”	COSCO (H.K.) Industry & Trade Holdings Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of COSCO Group;
“COSCO Group”	China Ocean Shipping (Group) Company, a state-owned enterprise incorporated in the PRC;
“Director(s)”	the director(s) of the Company;
“Freotech BVI”	Freotech Road Recycling Engineering Limited, a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of the Company;
“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 dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“JV Company”	a joint venture company to be established in Hong Kong as agreed by the JV Parties in accordance with the terms and conditions of the Shareholders Agreement;
“JV Parties”	collectively, Freotech BVI and COSCO (H.K.) Industry and Trade and a “JV Party” shall be construed accordingly;

“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Shareholders Agreement”	the shareholders agreement dated 12 July 2014 entered into between the JV Parties in relation to the establishment of the JV Company;

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

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

Hong Kong, 13 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.