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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)

COMPLETION OF MAJOR TRANSACTION

CAPITAL INJECTION INTO TIANJIN EXPRESSWAY MAINTENANCE COMPANY LIMITED* AND CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the Announcement and the Circular in relation to the major transaction involving the Capital Injection to the Target Company. Capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Circular unless the context requires otherwise.

COMPLETION OF CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that the Completion took place on 31 August 2015. Upon Completion, the Target Company has become a non-wholly owned subsidiary of the Company and the registered capital of the Target Company is RMB44,444,400 and the Target Company is owned as to 55% and 45% equity interests by Freotech Smart Road and Tianjin Expressway Group respectively.

CONTINUING TRANSACTIONS BETWEEN TARGET COMPANY AND TIANJIN EXPRESSWAY GROUP

Prior to Completion, the Target Company and Tianjin Expressway Group and/or its wholly-owned subsidiaries and associates entered into certain road maintenance services agreements in relation to the Continuing Connected Transactions conducted on a regular and continuing basis before Tianjin Expressway Group and its wholly-owned subsidiaries and associates become connected persons of the Company.

IMPLICATIONS UNDER THE LISTING RULES

Upon Completion, the Target Company has become a non-wholly owned subsidiary of the Company. As Tianjin Expressway Group is a substantial shareholder of the Target Company and therefore Tianjin Expressway Group and its wholly-owned subsidiaries and associates are connected persons of the Company at the subsidiary level, the Continuing Connected Transactions between the Target Company and Tianjin Expressway Group and/or its wholly-owned subsidiaries and associates constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transactions. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of such agreements.

INTRODUCTION

Reference is made to the announcement dated 2 July 2015 (“**Announcement**”) and the circular dated 31 August 2015 (“**Circular**”) in relation to the major transaction involving the Capital Injection into the Target Company. Capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular unless the context requires otherwise.

COMPLETION OF CAPITAL INJECTION AGREEMENT

The Board is pleased to announce that the Completion took place on 31 August 2015. Upon Completion, the Target Company has become a non-wholly owned subsidiary of the Company and the registered capital of the Target Company is RMB44,444,400 and the Target Company is owned as to 55% and 45% equity interests by Freetech Smart Road and Tianjin Expressway Group respectively.

CONTINUING TRANSACTIONS BETWEEN TARGET COMPANY AND TIANJIN EXPRESSWAY GROUP

Prior to Completion, the Target Company and Tianjin Expressway Group and/or its wholly-owned subsidiaries and associates entered into certain road maintenance services agreements in relation to ongoing transactions (“**Continuing Connected Transactions**”) conducted on a regular and continuing basis before Tianjin Expressway Group and its wholly-owned subsidiaries and associates become connected persons of the Company. The details of the Continuing Connected Transactions are as set out below:

No.	Transaction party	Date of the relevant service agreement	Services period	Consideration amount (RMB)	Basic for determining the consideration	Terms of the relevant service agreement
1.	天津鑫宇高速公路有限公司 (Tianjin Xinyu Expressway Co. Ltd*) (a subsidiary of Tianjin Expressway Group)	29 December 2014	1 January 2015–31 December 2015	163,994	With reference to market price	Provision of daily and damages maintenance by the Target Company and the consideration shall be settled quarterly.
2.	Tianjin Expressway Group	30 December 2014	1 January 2015–31 December 2015	97,809,019	With reference to market price	Provision of daily and damages maintenance by the Target Company and the consideration shall be paid in the following manners: 30% prepayment upon signing the agreement, quarterly settlement based on actual volume, 20% of the prepayment will net off against in the first and second quarter settlements, 30% of the prepayment will net off against the third and fourth quarter settlements.
3.	天津新展高速公路有限公司 (Tianjin Xinzhan Expressway Co. Ltd.*) (an associated of Tianjin Expressway Group)	15 March 2015	15 March 2015–14 March 2016	1,641,845	With reference to market price	Provision of daily and damages maintenance by the Target Company and the consideration shall be settled quarterly.
4.	Tianjin Expressway Group	26 May 2015	119 days	23,809,030	With reference to market price	Provision of renovation maintenance by the Target Company, the consideration shall be paid in the following manners: 20% prepayment upon signing agreement, additional 75% of the consideration shall be paid as the progress payment with the remaining 5% as warranty deposit.

No.	Transaction party	Date of the relevant service agreement	Services period	Consideration amount (RMB)	Basic for determining the consideration	Terms of the relevant service agreement
5.	Tianjin Expressway Group	21 May 2015	119 days	24,694,553	With reference to market price	Provision of renovation maintenance by the Target Company and the consideration shall be paid in the following manners: 20% prepayment upon signing the agreement, additional 75% of the consideration shall be paid as the progress payment with the remaining 5% as warranty deposit.
6.	Tianjin Expressway Group	23 May 2015	119 days	30,232,497	With reference to market price	Provision of renovation maintenance by the Target Company and the consideration shall be paid in the following manners: 20% prepayment upon signing the agreement, additional 75% of the consideration shall be paid as the progress payment with the remaining 5% as warranty deposit.
7.	Tianjin Expressway Group	23 May 2015	112 days	25,432,368	With reference to market price	Provision of renovation maintenance by the Target Company and the consideration shall be paid in the following manners: 20% prepayment upon signing the agreement, additional 75% of the consideration shall be paid as the progress payment with the remaining 5% as warranty deposit.
8.	天津永高速公路有限公司 (Tianjin Tianyong Expressway Co. Ltd.*) (an associated of Tianjin Expressway Group)	25 June 2015	68 days	1,815,888	With reference to market price	Provision of renovation maintenance by the Target Company and the consideration shall be paid in the following manner: 10% prepayment upon starting the provision of services, additional 65% of the consideration shall be paid as the progress payment, after completion of verification procedures pay additional 20% with remaining 5% as warranty deposit.

No.	Transaction party	Date of the relevant service agreement	Services period	Consideration amount (RMB)	Basic for determining the consideration	Terms of the relevant service agreement
9.	天津津富高速公路有限公司 (Tianjin Jinfu Expressway Co. Ltd.*) (an associated of Tianjin Expressway Group)	24 July 2015	26 July 2015– 26 September 2015	2,329,167	With reference to market price	Provision of renovation maintenance by the Target Company and the consideration shall be paid in the following manner: 10% prepayment upon starting the provision of services, 85% of the consideration shall be paid within 3 months after completion of services with the remaining 5% as warranty deposit.

* for identification purpose only

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The aforementioned continuing transactions between the Target Company and Tianjin Expressway Group and/or its wholly-owned subsidiaries and associates were entered into in the ordinary and usual course of business of the Group. Taking into account of the long term and stable business relationship between the Target Company and Tianjin Expressway Group and/or its wholly-owned subsidiaries and associates, the aforementioned transactions can provide a stable business environment and operating instruments for the Target Company as a whole, so as to bring stable and contributions to the Company and its shareholders.

The Directors (including independent non-executive Directors) are of the view that the transactions under the aforesaid agreements are on normal commercial terms, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Upon Completion, the Target Company has become a non-wholly owned subsidiary of the Company. As Tianjin Expressway Group is a substantial shareholder of the Target Company and therefore Tianjin Expressway Group and its wholly-owned subsidiaries and associates are connected persons of the Company at the subsidiary level, the Continuing Connected Transactions between the Target Company and Tianjin Expressway Group and/or its wholly-owned subsidiaries and associates constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transactions. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of such agreements.

INFORMATION ABOUT THE PARTIES

The Company is principally engaged in manufacturing and sale of road maintenance equipment and provision of road maintenance services in the PRC.

The Target Company is a company established in the PRC with limited liability on 1 September 2009 by Tianjin Expressway Group. It has registered and paid-up capital of RMB44,444,400. The principal activities of the Target Company are provision of maintenance and repair services for expressways and expressway facilities, road projects, highway plantation engineering and construction projects; machinery and equipment leasing, highway engineering and technical advisory services.

Tianjin Expressway Group, a State-owned enterprise, is a company established in the PRC with limited liability. Its principal business is roads and bridges construction and management of expressways. As at 31 December 2014, its registered capital of Tianjin Expressway Group was RMB770 million and has total assets more than RMB85 billion.

Tianjin Xinyu Expressway Co. Ltd., a wholly-owned subsidiary of Tianjin Expressway Group, is principally engaged in investment and management of expressway.

Tianjin Xinzhan Expressway Co. Ltd., an associate of Tianjin Expressway Group, is principally engaged in construction and management of expressway.

Tianjin Tianyong Expressway Co. Ltd., an associate of Tianjin Expressway Group, is principally engaged in investment and management of expressway.

Tianjin Jinfu Expressway Co. Ltd., an associate of Tianjin Expressway Group, is principally engaged in investment and management of expressway.

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

Hong Kong, 31 August 2015

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.

** For identification purposes only*