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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 the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

Based on the currently available information, the Board wishes to inform the Shareholders and potential investors that the Group is anticipated to record a Net Loss in the range of approximately HK\$20 million to HK\$25 million for the six months ended 30 June 2019 as compared to the Net Profit of approximately HK\$13.4 million for the six months ended 30 June 2018.

The interim results announcement of the Group for the six months ended 30 June 2019 is expected to be released in August 2019.

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

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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Following a preliminary review of the currently available information, the board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is anticipated to record a loss attributable to owners of the Company (the “**Net Loss**”) in the range of approximately HK\$20 million to HK\$25 million for the six months ended 30 June 2019 as compared to a profit attributable to owners of the Company (the “**Net Profit**”) of approximately HK\$13.4 million for the six months ended 30 June 2018.

The expected Net Loss is mainly attributable to the following factors:

- 1) the Group's plan to export the asphalt pavement maintenance ("APM") equipment to United States has been severely hindered by the escalation of trade war between the People's Republic of China (the "PRC") and United States; and
- 2) due to the tightened cash flow of PRC local governments and in order to reduce the future trade receivables default risk of the Group, the Group has also delayed some of the road maintenance projects until the customers' funds for these projects are officially in place. The Group is anticipated to record a significant decrease in the revenue of the APM services segment as the Company expects the total area serviced of the APM services segment may decrease by approximately 50% for the six months ended 30 June 2019.

In view of the facts that:

- 1) the overall growth of the APM industry in the PRC remains sustainable and the existing penetration rate of recycling technology (including the Group's "Hot-in-Place" recycling technology) is still minimal and has significant potential for expansion;
- 2) subsequent to the Company's sale of modular series equipment to the Republic of Korea and standard series equipment to the Macau Special Administrative Region, Malaysia and Taiwan, the Group continues to seek overseas business opportunities to expand its APM services and equipment business in the countries along the "One Belt One Road" and four Asian tigers; and
- 3) the Group will continue to leverage on its state-owned partners' overseas channels to expand the international APM equipment and services market.

The Board believes that there is great potential for the long term development of our Group's business and the Board remains confident about the Group's long term prospects.

The Company is still in the process of finalising the Group's unaudited consolidated results for the six months ended 30 June 2019. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Group, which has not yet been audited or reviewed by the auditor of the Company or the audit committee of the Board and therefore, may be subject to adjustments following further review by the Board. The unaudited consolidated interim results announcement of the Company for the six months ending 30 June 2019 is expected to be released in August 2019.

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, 28 June 2019

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 Dr. Chan Yan Chong and Mr. Wang Lei; and the independent non-executive Directors are Ms. Yeung Sum, Mr. Tang Koon Yiu Thomas and Dr. Lau Ching Kwong.