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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 of approximately HK\$20 million for the six months ended 30 June 2020 as compared to the Net Loss of approximately HK\$29.8 million for the six months ended 30 June 2019.

The interim results announcement of the Group for the six months ended 30 June 2020 is expected to be released in August 2020.

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**”) of approximately HK\$20 million for the six months ended 30 June 2020 as compared to the Net Loss of approximately HK\$29.8 million for the six months ended 30 June 2019.

The decrease in the expected Net Loss for the six months ended 30 June 2020 is mainly attributable to the following factors:

- 1) in view of the outbreak of COVID-19, many provinces and municipalities in the People's Republic of China (the "PRC") have implemented emergency public health measures since January 2020, which include, among other things, imposing quarantine orders and travel restrictions. Although the travel restriction was gradually lifted in second quarter of 2020, the Group is anticipated to record a decrease in the revenue of asphalt pavement maintenance ("APM") equipment segment as the manufacturing of equipment was affected by the delay in supply of major equipment components and the signing of the APM equipment sales contract was also affected by the travel restriction;
- 2) the Group is anticipated to record a decrease in the revenue of the APM services segment as the provision of road maintenance services for the "Hot-in Place" projects on hand are expected to be delayed to the second half of 2020 due to the outbreak of COVID-19 and the bad weather condition on the construction site of the Group's road maintenance projects; and
- 3) the Group is anticipated to record a reversal of impairment of trade receivables and contract assets due to collection of these outstanding balances continue to improve after Premier Li Keqiang has reiterated the settlement of overdue debts of local government to private enterprises during the State Council Executive Meeting of the PRC on 8 January 2020.

In the view that the Ministry of Transport of the PRC will perform large scale road inspections once every five years on highways in the second half of 2020 and to inspect the quality and condition of the road maintenance work, the overall growth of the APM industry in the PRC within the year remains sustainable. 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 2020. 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 2020 is expected to be released in August 2020.

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, 26 June 2020

As at the date of this announcement, the executive Directors are Mr. Sze Wai Pan, Ms. Sze Wan Nga and Mr. Chan Kai King; the non-executive Directors are Prof. Tong Wai Cheung Timothy, 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.