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)

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

The Board announces that on 22 November 2024 (after trading hours), the Vendor (an indirect non-wholly-owned subsidiary of the Company) and the Purchaser entered into the SPA, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at a consideration of RMB71.1 million (equivalent to approximately HK$76.4 million). Upon Completion, the Target Company will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Target Company is owned as to 55% and 45% by the Vendor and the Purchaser respectively. As the Purchaser is a substantial shareholder of the Target Company, it is a connected person of the Company at subsidiary level. Therefore, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors have approved the transaction; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

The Company has obtained approval from the Board (including the independent non-executive Directors) regarding the Disposal and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Disposal are fair and reasonable, and that the Disposal are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Disposal is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal exceeds 75%, the transaction contemplated under the SPA constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

An EGM will be convened for the Shareholders to consider and, if thought fit, to approve the SPA and the transactions contemplated thereunder.

GENERAL

A circular containing, amongst other things, (a) further information in relation to the Disposal; (b) the financial information of the Target Company; (c) the pro-forma financial information of the Group; and (d) other information as required under the Listing Rules, together with a notice of the EGM, will be despatched to the Shareholders on or before 9 December 2024 as the Company needs additional time to prepare the necessary information to be included in the circular.

Completion of the Disposal is conditional upon the satisfaction of the Conditions Precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE DISPOSAL

The Board announces that on 22 November 2024 (after trading hours), the Vendor (an indirect non-wholly-owned subsidiary of the Company) and the Purchaser entered into the SPA, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at a consideration of RMB71.1 million (equivalent to approximately HK$76.4 million). Upon Completion, the Target Company will cease to be a subsidiary of the Company.

Set out below are the principal terms of the SPA:

Date:	22 November 2024 (after trading hours)
Parties:	Freetech Smart Road Recycling Engineering Investment Limited as vendor
	Tianjin Expressway Group Company Limited as purchaser

Subject matter: Pursuant to the SPA, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares.

Consideration: The Consideration for the Disposal is approximately RMB71 million (equivalent to approximately HK$76 million) which shall be paid in the following manner:

(1) within 5 business days after signing of the SPA, the Purchaser shall transfer 50% of the Consideration to the Escrow Account and within 5 business days from the completion of the commercial registration of the transfer of the Sale Shares at relevant PRC authorities, the Purchaser shall procure for such amount to be transferred to an account of the Vendor in Hong Kong; and

(2) within one month of completion of commercial registration of the transfer of the Sale Shares at relevant PRC authorities, the Purchaser shall transfer the remaining 50% of the Consideration (after deducting relevant taxes payable by the Target Company of approximately RMB2.4 million) to an account of the Vendor in Hong Kong.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor after taking into account (i) the appraised fair value of the net assets of the Target Company on 31 December 2023 at approximately RMB129.3 million (the "**Appraised Value**") based on valuation report prepared by the Valuer. For details, please refer to the paragraph headed "Valuation" in this announcement; and (ii) the net asset value of the Target Company as at 30 June 2024 based on the unaudited financial statements of the Target Company of approximately RMB92.7 million (equivalent to approximately HK$99.6 million).

Difference of the Appraised Value and the net asset value of the Target Company was mainly due to the different treatment of certain account receivables of the Target Company by the Valuer and the Target Company. The Target Company when preparing the accounts of the Target Company as at 31 December 2023 has included a provision of RMB22.3 million in accordance with applicable accounting standards and expected loss model. Same approach had been adopted when determining the net asset value of the Target Company as at 30 June 2024. On the other hand, the Valuer, based on the information provided by the Target Company, noted that the customers had made regular settlement for the receivables and the risk of default was relatively remote, and the Valuer had been included such RMB22.3 million receivables in the Appraised Value.

Conditions Precedent: Completion is subject to satisfaction of the following Conditions Precedent on or before the Long Stop Date:

(1) the Purchaser having obtained the approval from relevant authority for transfer of the Consideration to a bank account of the Vendor in Hong Kong; and

(2) parties to the SPA having obtained the consent and approval of the relevant approval authorities, including but not limited to, the approval from the board of directors, shareholders and authorities of the Target Company, the approval from the superior authorities of the Vendor, and the approval from the board of directors and Shareholders of the Company in accordance with the requirements of the Listing Rules.

If the Conditions Precedent are not satisfied on or before the Long Stop Date, the SPA shall lapse.

Completion: Completion shall take place after all Conditions Precedent are satisfied and completion of the commercial registration of the transfer of the Sale Shares at relevant PRC authorities.

VALUATION

The Appraised Value was determined based on a valuation report dated 10 July 2024 prepared by the Valuer in accordance with the Basic Rules for Asset Appraisal issued by the Ministry of Finance and the Practice Guidelines for Asset Appraisal and the Professional Code of Ethics for Asset Appraisal issued by the China Appraisal Society.

Identity of the Valuer

The valuation was carried out by Beijing Chinese Enterprise China Assets Evaluation Co., Ltd.* (北京中企華資產評估有限責任公司), an independent valuer engaged by the Vendor.

Valuation methodology adopted by the Valuer

For the valuation, the Valuer has adopted asset-based approach. The Valuer had taken into account of the following factors:

(i) considering detailed information on the assets and liabilities of the Target Company can be collected for the valuation and that the valuation can be conducted separately, and that the conditions for asset-based method valuation were met, the asset-based method was selected for the valuation;

(ii) the Target Company can provide complete historical operating financial information and analysis on the Target Company's future operations so that future income and risk borne to obtain future income can be reasonably predicted and measured in monetary terms, but as the asset based approach could reflect the depreciation of assets of the Target Company, the income approach was not selected for the valuation;

(iii) market approach was not adopted as there were no market comparables.

Key assumptions under the Valuation Report

The valuation was based on the following key assumptions:

(i) the assets being traded in the market, or the assets to be traded in the market, were equal in status to each other, and both parties to the Disposal had the opportunity and time to obtain sufficient market information. The transaction behaviors were voluntary and rational, and both parties can make rational judgments on the functions, uses and transaction prices of the assets;

(ii) there were no major changes in the relevant laws, regulations and policies of the PRC and the national macroeconomic situation, and there were no major changes in the political, economic and social environment of the regions where the parties to the Disposal are located;

(iii) the Target Company continues to operate after 31 December 2023;

(iv) the interest rate, tax base and tax rate, policy-based levy fees and other related to the valuation will not change significantly after 31 December 2023;

(v) the management of the Target Company will not have significant change after the 31 December 2023 and are capable of performing their duties;

(vi) the Target Company fully complied with all relevant laws and regulations;

(vii) there will be no force majeure and unforeseen factors that will have a significant adverse impact on the Target Company after 31 December 2023;

(viii) the accounting policies adopted by the Target Company after 31 December 2023 will be consistent with the accounting policies adopted when preparing the valuation report in all material aspects;

(ix) the business scope, the management methodology and management of the Target Company after 31 December 2023 remain unchanged;

(x) the cash inflow and outflow of the Target Company after 31 December 2023 is the average inflow and the average outflow of cash;

(xi) the research and development capabilities and technological advancement of the Target Company after 31 December 2023 remain unchanged; and

(xii) the Target Company will be continuously recognized as a high-tech enterprise and enjoy the income tax preferential policies according to the income tax rate level applicable on 31 December 2023.

Input for the valuation

The valuation has taken into account (i) the liquid assets including cash and deposits of the Target Company; (ii) the receivables of the Target Company; (iii) the payables of the Target Company; (iv) prepayment; (v) the other receivables of the Target Company; (vi) the raw materials of the Target Company; (vii) the other liquid assets of the Target Company; (viii) the fixed assets of the Target Company; and (ix) the equipment of the Target Company.

INFORMATION OF THE PURCHASER

The Purchaser, a state-owned enterprise, is a company established in the PRC with limited liability. The Purchaser is owned by Tianjin Infrastructure Investment Group Company Limited (天津城市基礎設施建設投資集團有限公司). The ultimate beneficial owner of the Purchaser is State-owned Assets Supervision and Administration Commission of Tianjin People's Government (天津市人民政府國有資產監督管理委員會). Its principal business is roads and bridges construction and management of expressways.

INFORMATION OF THE GROUP AND THE VENDOR

The Group

The Group is principally engaged in (i) manufacturing and sales of road maintenance equipment (the "**Sale of APM Equipment**"); and (ii) provision of road maintenance and development services (including "Hot-in place projects" and Non-"Hot-in-place" projects) (the "**APM Services**"), and (iii) sales and leasing of properties in the PRC (the "**Property Business**").

Sale of APM Equipment

In respect of the Sale of APM Equipment, the Group's target customers are mainly local government and highway companies in the PRC. The production site for the APM equipment is located at Nanjing, Jiangsu Province in the PRC.

APM Services

In respect of APM Services, the Group is a leading provider of the "Hot-in-place" recycling technology in the APM sector and a provider of one-stop solution covering "testing, planning, equipment and construction.

After the capital injection in 2015, the Group engaged in its APM Services in the Tianjin area mainly through the Target Company and its APM Services in other areas of the PRC mainly through its other wholly-owned subsidiaries. The Target Company mainly focuses on Non-"Hot-in-place" projects, while the Group (other than the Target Company) mainly focuses on "Hot-in-place" projects.

The clients for "Hot-in-place" projects include local governments and highway companies in the PRC and the clients for Non-"Hot-in-place" projects include mainly highway companies in Tianjin area in the PRC.

Property Business

In respect of the Property Business, Freetech Nanjing acquired the Land from Nanjing Municipal Land Resources Bureau* (南京市國土資源局) on 30 December 2016 at the consideration of approximately RMB140.1 million for the development of the base of the global technology research and development centre of the Group. Jiangxinzhou (江心洲) is an Eco Hi-Tech island in Nanjing city, which is set to be an island showcasing the future of Nanjing and its aspirations to be a centre for development and practice of high-tech innovation in areas such as IT services industry, eco-environmental service and modern service industry. The site area of the Land is approximately 35,673 square meters, with plot ratio not more than 1.2 and gross floor area permissible for sale is no more than 40% of the total gross floor area. Based on the development plan, two main office buildings with total gross floor area of approximately 25,696 square meter (the "**Main Buildings**") and seventeen small office buildings with total gross floor area of approximately 17,055 square meter (the "**Office Buildings**") will be developed at the Land. Part of the Main Buildings will be used as the base of the global research and development centre and offices of the Group, which will enhance the research and development capability of the Group and enable the Group to save rental expenses. For the remaining part of the Main Buildings, the Group intends to lease the office spaces to third parties, which will bring additional income streams to the Group. For the Office Buildings, the Group intends to conduct pre-sale by 2026. Due to the strict COVID-19 pandemic control in second quarter of 2022 and some changes of the construction plan, there was a delay in the progress of construction and the construction has only commenced in 2022. It was expected that the completion date of the construction will be in or around the fourth quarter of 2025.

Future development of the Group

Given the Group is a leading provider of provider of the "Hot-in-Place" recycling technology in the APM sector and a provider of one-stop solution covering "testing, planning, equipment and construction", the Group will leverage on its competitive advantages and implement favourable policies to enhance its market position, enter into new markets and enlarge its share in existing markets by the following means: (i) it will increase market penetration, particularly in cities where the use of "Hot-in-Place" recycling technology is currently relatively limited; (ii) it will focus on the cities which will hold major events to gain and complete projects of high awareness; (iii) it will diversify its product range and developed new product in road industry; (iv) it will continue to invest on its testing and planning department by devoting more equipment and staff so as to enhance its one-stop solution and generate new revenue stream which is road doctor consultant services; (v) it will further optimize its techniques and technologies to lower the construction costs; and (vi) it will leverage on its state-owned partners' overseas channels to expand the international APM equipment and services market.

The Vendor

The Vendor is an indirect non-wholly-owned subsidiary of the Company which is 51% owned by the Company and 49% owned by COSCO HK. The Vendor is an investment holding company.

INFORMATION OF THE TARGET COMPANY

As at the date of this announcement, the Target Company is owned as to 55% by the Vendor and 45% by the Purchaser. The Target Company is a company established in the PRC with limited liability on 1 September 2009 by the Purchaser. As at the date of this announcement, its registered capital is 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.

Based on the unaudited financial statements of the Target Company prepared based on Hong Kong Financial Reporting Standards, the financial results of the Target Company for the two years ended 31 December 2023 and six months ended 30 June 2024 are as follows:

	For the year ended 31 December 2022	**For the year ended 31 December 2023**	**For the six months ended 30 June 2024**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	322,313	355,214	85,177
Profit/(Loss) before taxation	(5,964)	24,209	1,939
Profit/(Loss) after taxation	(7,348)	22,693	1,939

The turnaround from net loss of approximately HK$7.3 million for the year ended 31 December 2022 to a net profit of approximately HK$22.7 million for the year ended 31 December 2023 was mainly due to (i) a reversal of impairment losses on financial and contract assets of approximately HK$14.5 million due to the improvement on the settlement of the long outstanding trade receivables; and (ii) the end of the COVID-19 outbreak in the PRC in around fourth quarter of 2022 and increase in orders for APM Services.

The net asset value of the Target Company as at 31 December 2023 and as at 30 June 2024 based on the unaudited financial statements of the Target Company prepared based on Hong Kong Financial Reporting Standards was approximately HK$99,662,000 and HK$99,550,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Reference is made to the announcement of the Company dated 13 July 2014 and the circular of the Company dated 31 August 2015 in relation to the capital injection in the Target Company. The Vendor acquired 55% of the Target Company by way of subscribing for registered capital of the Target Company of RMB24,444,400 at a total consideration of approximately RMB46.8 million. The Target Company became an indirect non-wholly owned subsidiary of the Company after completion of the aforementioned capital injection. Since completion of the capital injection in 2015, the Target Company had only distributed dividend a total of approximately RMB3.2 million to the Vendor.

As the Purchaser offered to acquire the Sale Shares at a price of approximately RMB71.1 million, as compared to the original acquisition of approximately RMB46.8 million, the Vendor will make an after tax gain of approximately RMB21.9 million from the Disposal. The Company considered that the Disposal represented a good opportunity for the Group to realise its investments in the Target Company.

After the capital injection in 2015, the Group engaged in its APM Services (with a focus on Non-"Hot-in-place" projects) in the Tianjin area mainly through the Target Company and its APM Services (with a focus on "Hot-in-place" projects) in other areas of the PRC mainly through its other wholly-owned subsidiaries. As "Hot-in-place" projects generally have a higher gross profit margin than the Non-"Hot-in-place" projects (for the year ended 31 December 2023, the gross profit margin of "Hot-in-place" projects was 42.7% and the gross profit margin of Non-"Hot-in-place" projects was 10.1%), the Group intends to develop and focus on "Hot-in-place" projects. As the Target Company is a non-wholly owned subsidiary of the Company, the Company needs to cooperate with the Purchaser in the management and development of the Target Company's business and the progress on development of "Hot-in-place" projects in the Tianjin area fell short of expectation in the past years. The Company considered that the Disposal will allow the Group to have more flexibility in management and resources allocation for the development of its APM Services, in particular, "Hot-in-place" projects, in the PRC. After the Disposal, the Group will continue to engage in APM Services in the PRC (including the Tianjin area) mainly through its other wholly-owned subsidiaries and focuses on development of the APM Services through "Hot-in-place" projects. As at the date of this announcement, save for the Disposal, there is no plan for the Group to change its businesses or downsize, cease or dispose of any of its businesses after completion of the Disposal. The business and revenue model of the Group shall remain the same after the Completion.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that although the Disposal was not in the ordinary and usual course of the business of the Company, the Disposal and the terms of the SPA were entered into on normal commercial terms and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS

The gross proceeds from the Disposal are expected to be approximately RMB71.1 million (equivalent to HK$76.4 million) and the net proceeds (after deducting related tax expenses, transaction costs and professional expenses) are expected to be approximately RMB67.8 million (equivalent to HK$72.8 million).

As the Vendor is owned as to 51% by the Group and 49% by COSCO HK, the net proceeds from the Disposal will be distributed by the Vendor to its shareholders. Therefore, the actual amount of net proceeds to be retained by the Group is expected to be approximately RMB34.2 million (equivalent to HK$36.8 million). The Group intends to use (a) RMB20 million (equivalent to HK$21.5 million) of the net proceeds for the construction work at the Land. For details of the construction, please refer to the paragraph headed "Information of the Group and the Vendor — The Group — Property Business" in this announcement; and (b) RMB14.2 million (equivalent to HK$15.3 million) of the net proceeds for general working capital.

FINANCIAL EFFECT OF THE DISPOSAL

After Completion, the Group will cease to have any interest in Target Company and the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated with the financial statements of the Group.

The Disposal is expected to give rise to a gain of approximately RMB11.9 million (equivalent to approximately HK$12.7 million) (after taxation, if any), calculated with reference to the Consideration and after deducting (i) 55% of the net asset value of the Target Company as at 30 June 2024 of approximately RMB51 million (equivalent to approximately HK$54.8 million); (ii) the goodwill of approximately RMB4.9 million (equivalent to approximately HK$5.3 million) arisen from the acquisition 55% of the Target Company by way of subscribing for registered capital of the Target Company of RMB24,444,400 at a total consideration of approximately RMB46.8 million on 31 August 2015; and (iii) the transaction costs and expenses of approximately RMB3.3 million (equivalent to approximately HK$3.6 million) in relation to the Disposal. The actual gain as a result of the Disposal to be recorded by the Company is subject to any changes to the net assets value of the Target Company on the date of the Completion.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Target Company is owned as to 55% and 45% by the Vendor and the Purchaser respectively. As the Purchaser is a substantial shareholder of the Target Company, it is a connected person of the Company at subsidiary level. Therefore, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors have approved the transaction; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

The Company has obtained approval from the Board (including the independent non-executive Directors) regarding the Disposal and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Disposal are fair and reasonable, and that the Disposal are on normal commercial terms and in the interests of the

Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Disposal is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal exceeds 75%, the transaction contemplated under the SPA constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

An EGM will be convened for the Shareholders to consider and, if thought fit, to approve the SPA and the transactions contemplated thereunder.

GENERAL

A circular containing, amongst other things, (a) further information in relation to the Disposal; (b) the financial information of the Target Company; (c) the pro-forma financial information of the Group; and (d) other information as required under the Listing Rules, together with a notice of the EGM, will be despatched to the Shareholders on or before 9 December 2024 as the Company needs additional time to prepare the necessary information to be included in the circular.

Completion of the Disposal is conditional upon the satisfaction of the Conditions Precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"APM Services"	has the meaning as defined in the paragraph headed "Information of the Group and the Vendor" in this announcement
"Appraised Value"	the appraised value set out in the paragraph headed "The Disposal — Consideration" in this announcement
"Board"	the board of Directors
"Company"	Freetech Road Recycling Technology (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6888)
"Completion"	completion of Disposal
"Conditions Precedent"	the conditions precedent set out in the paragraph headed "The Disposal — Conditions Precedent" in this announcement

"connected persons"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	approximately RMB71.1 million (equivalent to approximately HK$76.4 million) payable by the Vendor to the Purchaser pursuant to the terms of the SPA
"COSCO HK"	COSCO (H.K.) Industry & Trade Holdings Limited
"Directors(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms of the SPA
"EGM"	the extraordinary general meeting of the Company to be held to consider and to approve, among other things, the SPA and the transactions contemplated under the SPA
"Escrow Account"	an escrow account jointly opened and administered by the Vendor and the Purchaser
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Group"	the Company and its subsidiaries from time to time
"Land"	the land located at lot 04–05 and 04–06 of Jiangxinzhou, Jianye District, Nanjing, the PRC* (中國南京市建鄴區江心洲)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 December 2024 or such other date as agreed by the parties to the SPA
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People's Republic of China
"Purchaser"	Tianjin Expressway Group Company Limited* (天津高速公路集團有限公司), a company established in the PRC with limited liability
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	55% of the issued shares of the Target Company held by the Vendor as at the date of this announcement

"Sale of APM Equipment"	has the meaning as defined in the paragraph headed "Reasons and Benefits for the Disposal" in this announcement
"Share(s)"	the ordinary share(s) of the Company of par value of HK$0.10 each
"Shareholder(s)"	the holder(s) of the Share(s)
"SPA"	the share purchase agreement dated 22 November 2024 entered into between the Purchaser and the Vendor in respect of the Disposal
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Target Company"	Tianjin Expressway Maintenance Company Limited* (天津市高速公路養護有限公司), a company established in the PRC
"Valuer"	Beijing Chinese Enterprise China Assets Evaluation Co., Ltd.* (北京中企華資產評估有限責任公司), an independent third party valuer engaged by the Vendor
"Vendor"	Freetech Smart Road Recycling Engineering Investment Limited (英達智能道路再生工程投資有限公司), a company incorporated in Hong Kong with limited liability
"%"	per cent.

Unless otherwise indicated, in this announcement, translation of amounts in RMB into HK$ have been made at the rate of HK$1.075 to RMB1 for illustration purpose only. No representation is made that any amount in HK$ could have been or could be converted at such respective rates or at all.

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

Hong Kong, 22 November 2024

As at the date of this announcement, the executive Directors are Mr. Sze Wai Pan and Mr. Chan Kai King; the non-executive Directors are Ms. Sze Wan Nga, Mr. Zhou Jichang, Prof. Tong Wai Cheung Timothy and Dr. Chan Yan Chong; and the independent non-executive Directors are Ms. Yeung Sum, Prof. Lau Chi Pang and Prof. Lai Kin Keung.

* *for identification purpose only*