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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)

**MAJOR TRANSACTIONS
IN RELATION TO SUBSCRIPTION OF
STRUCTURED DEPOSIT PRODUCTS**

This circular is despatched to the Shareholders for information purposes only, and written Shareholders' approval has been obtained in lieu of holding a general meeting.

24 December 2025

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DEFINITIONS

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

“APM”	asphalt pavement maintenance
“Board”	the board of Directors
“CITIC Bank”	China CITIC Bank Corporation Limited
“Company”	Freotech 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)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Freotech Cayman”	Freotech (Cayman) Ltd, a company owned by Mr. Sze as to 100%
“Freotech Ecological”	Freotech Ecological Technology Development (Nanjing) Co., Ltd, (formerly known as Freotech Real Estate (Nanjing) Co. Ltd.), an indirect wholly-owned subsidiary of the Company
“Freotech Recycling”	英達熱再生有限公司, a company established in the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	19 December 2025, being the latest practicable date prior to the date of this circular for ascertaining certain information disclosed herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Major CITIC Bank Subscriptions”	(i) the subscription of structured deposit products offered by CITIC Bank on 17 January 2025 and 28 February 2025; (ii) the subscription of structured deposit products offered by CITIC Bank on 17 January 2025 and 29 March 2025; (iii) the subscription of structured deposit products offered by CITIC Bank on 29 March 2025 and 26 April 2025; (iv) the subscription of structured deposit products offered by CITIC Bank on 26 April 2025 and 28 April 2025; (v) the subscription of structured deposit products offered by CITIC Bank on 26 April 2025 and 30 May 2025; (vi) the subscription of structured deposit products offered by CITIC Bank on 30 May 2025 and 29 July 2025; and (vii) the subscription of structured deposit products offered by CITIC Bank on 29 July 2025 and 27 August 2025
“Mr. Sze”	Mr. Sze Wai Pan, the Chairman and an executive Director of the Company
“Nanjing Freetech”	南京英達公路養護車製造有限公司, a company established in the PRC and a wholly-owned subsidiary of the Company
“percentage ratio(s)”	has the meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance
“Share(s)”	the ordinary share(s) of the Company of par value of HK\$0.10 each
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

* *For identification purpose only*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Sze Wai Pan
(Chairman and chief executive officer)
Mr. Chan Kai King

Non-executive Directors:

Ms. Sze Wan Nga
Mr. Zhou Jichang
Prof. Tong Wai Cheung Timothy
Dr. Chan Yan Chong

Independent non-executive Directors:

Ms. Yeung Sum
Prof. Lau Chi Pang
Prof. Lai Kin Keung

Registered office:

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Group Headquarters and Principal Place
of Business in Hong Kong:*

Room 2501, 25/F, Citicorp Centre
18 Whitfield Road, Causeway Bay
Hong Kong

24 December 2025

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTIONS
IN RELATION TO SUBSCRIPTION OF
STRUCTURED DEPOSIT PRODUCTS**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 3 November 2025 in relation to, inter alia, the subscription of structured deposit products.

The purpose of this circular is to provide you with, inter alia, (i) further details of the Major CITIC Bank Subscriptions; and (ii) the financial and other information of the Group.

LETTER FROM THE BOARD

2. MAJOR CITIC BANK SUBSCRIPTIONS

Freotech Recycling and Nanjing Freotech, each a wholly-owned subsidiary of the Company, subscribed for certain structured deposit products offered by CITIC Bank during the current financial year, a summary of which is set out in the paragraph below:

Date of subscription	Subscriber	Product name	Principal subscription amount	Aggregate principal subscription amount with CITIC as at the investment commencement date	Investment term	Type of return/Fixed or variable return	Actual annualised return rate	Right of early termination or redemption	Type of notifiable transaction under Chapter 14 of the Listing Rules
17 January 2025	Freotech Recycling	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits No. 19920* (共贏智信匯率掛鉤人民幣結構性存款19920期)	RMB10,000,000	RMB10,000,000	20 January 2025 to 23 April 2025	Principal and interest guaranteed Variable return linked to Euro/British Pound spot exchange rate	2.1%	No	Disclosable Transaction
23 January 2025	Nanjing Freotech	Gongying Huixin Interest Rate Linked RMB Structured Deposits No. 01885* (共贏慧信利率掛鉤人民幣結構性存款01885期)	RMB20,000,000	RMB30,000,000 (note 1)	1 February 2025 to 28 February 2025	Principal and interest guaranteed Variable return, linked to two-year Chinese government bond yield	1.1%	No	Disclosable Transaction
28 February 2025	Nanjing Freotech	Gongying Zhixin Gold Linked RMB Structured Deposits No. 10926* (共贏智信黃金掛鉤人民幣結構性存款10926期)	RMB40,000,000	RMB50,000,000 (note 2)	1 March 2025 to 31 March 2025	Principal and interest guaranteed Variable return, linked to Troy Ounce of Gold/United States dollars spot exchange rate	2.5%	No	Major Transaction
29 March 2025	Nanjing Freotech	Gongying Zhixin Gold Linked RMB Structured Deposits No. A00727* (共贏智信黃金掛鉤人民幣結構性存款A00727期)	RMB40,000,000	RMB50,000,000 (note 3)	1 April 2025 to 30 April 2025	Principal and interest guaranteed Variable return, linked to Troy Ounce of Gold/United States dollars spot exchange rate	2.5%	No	Major Transaction
26 April 2025	Freotech Recycling	Gongying Huixin Exchange Rate Linked RMB Structured Deposits No. A02896* (共贏智信匯率掛鉤人民幣結構性存款A02896期)	RMB24,000,000	RMB64,000,000 (note 4)	28 April 2025 to 27 July 2025	Principal and interest guaranteed Variable return, linked to United States dollars/Swiss Franc spot exchange rate	2.0%	No	Major Transaction
28 April 2025	Nanjing Freotech	Gongying Huixin Gold Linked RMB Structured Deposits No. A03369* (共贏智信黃金掛鉤人民幣結構性存款A03369期)	RMB40,000,000	RMB64,000,000 (note 5)	1 May 2025 to 30 May 2025	Principal and interest guaranteed Variable return, linked to Troy Ounce of Gold/United States dollars spot exchange rate	1.9%	No	Major Transaction
30 May 2025	Nanjing Freotech	Gongying Huixin Interest Rate Linked RMB Structured Deposits No. A05335* (共贏智信利率掛鉤人民幣結構性存款A05335期)	RMB25,000,000	RMB49,000,000 (note 6)	31 May 2025 to 29 August 2025	Principal and interest guaranteed Variable return, linked to ten-year Chinese government bond yield	1.9%	No	Major Transaction
29 July 2025	Freotech Recycling	Gongying Huixin Interest Rate Linked RMB Structured Deposits No. A09827* (共贏智信利率掛鉤人民幣結構性存款A09827期)	RMB24,000,000	RMB49,000,000 (note 7)	1 August 2025 to 4 September 2025	Principal and interest guaranteed Variable return, linked to ten-year Chinese government bond yield	1.6%	No	Major Transaction
27 August 2025	Nanjing Freotech	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits No. A11822* (共贏智信匯率掛鉤人民幣結構性存款A11822期)	RMB20,000,000	RMB44,000,000 (note 8)	30 August 2025 to 29 September 2025	Principal and interest guaranteed Variable return, linked to United States dollars/Japanese Yen spot exchange rate	1.6%	No	Major Transaction

LETTER FROM THE BOARD

Notes:

1. The aggregate subscription amount with CITIC Bank at the relevant investment commencement date was RMB30,000,000 (comprising the subscriptions on 17 January 2025 and 23 January 2025).
2. The aggregate subscription amount with CITIC Bank at the relevant investment commencement date was RMB50,000,000 (comprising the subscriptions on 17 January 2025 and 28 February 2025).
3. The aggregate subscription amount with CITIC Bank at the relevant investment commencement date was RMB50,000,000 (comprising the subscriptions on 17 January 2025 and 29 March 2025).
4. The aggregate subscription amount with CITIC Bank at the relevant investment commencement date was RMB64,000,000 (comprising the subscriptions on 29 March 2025 and 26 April 2025).
5. The aggregate subscription amount with CITIC Bank at the relevant investment commencement date was RMB64,000,000 (comprising the subscriptions on 26 April 2025 and 28 April 2025).
6. The aggregate subscription amount with CITIC Bank at the relevant investment commencement date was RMB49,000,000 (comprising the subscriptions on 26 April 2025 and 30 May 2025).
7. The aggregate subscription amount with CITIC Bank at the relevant investment commencement date was RMB49,000,000 (comprising the subscriptions on 30 May 2025 and 29 July 2025).
8. The aggregate subscription amount with CITIC Bank at the relevant investment commencement date was RMB44,000,000 (comprising the subscriptions on 29 July 2025 and 27 August 2025).

3. REASONS AND BENEFITS FOR THE MAJOR CITIC BANK SUBSCRIPTIONS

The Major CITIC Bank Subscriptions were carried out by the Group for treasury management purpose in order to maximize the utilization of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a low level of risks. Taking into account of, among others, the low level of risks and the expected rates of return, the Company considers that the Major CITIC Bank Subscriptions would provide the Group with better returns than the returns on deposits generally offered by commercial banks and increase the Company's overall earnings in the long run. As such, the Directors are of the view that the Major CITIC Bank Subscriptions were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. INFORMATION ABOUT THE PARTIES

The Company is an investment holding company. The Group is principally engaged in manufacturing and sale of road maintenance equipment, provision of road maintenance services and development, sales and leasing of properties in the PRC.

Freotech Recycling is a wholly-owned subsidiary of the Company, which is principally engaged in provision of road maintenance services in the PRC.

Nanjing Freotech is a wholly-owned subsidiary of the Company, which is principally engaged in manufacturing and sale of road maintenance equipment in the PRC.

LETTER FROM THE BOARD

CITIC Bank is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of corporate and personal banking and other financial services in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, CITIC Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

5. IMPLICATIONS UNDER THE LISTING RULES

In respect of the structured deposit products which have been subscribed for with CITIC Bank, the transactions related thereto will be aggregated and treated as if they were one transaction with CITIC Bank for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules.

As highest applicable percentage ratio in respect of each of the Major CITIC Bank Subscriptions was more than 25% but less than 100%, each of the Major CITIC Bank Subscriptions constituted a major transaction of the Company under Chapter 14 of the Listing Rules and were therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Major CITIC Bank Subscriptions. As such, no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Major CITIC Bank Subscriptions. Pursuant to Rule 14.44 of the Listing Rules, a written shareholders' approval may be accepted in lieu of a general meeting. As at the Latest Practicable Date, Mr. Sze and Freotech Cayman held 13,000,000 Shares and 529,688,260 Shares, respectively. Mr. Sze and Freotech Cayman, being the controlling shareholders of the Company, holding approximately 50.30% of the issued Shares, have provided a confirmation that they have approved, confirmed and ratified the Major CITIC Bank Subscriptions. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the Major CITIC Bank Subscriptions.

As none of the Directors has a material interest in the Major CITIC Bank Subscriptions, no Director has abstained from voting on the relevant board resolutions.

The Major CITIC Bank Subscriptions were executed in accordance with the Group's policy on bank deposit management. The Chief Financial Officer and finance department of Freotech Recycling and Nanjing Freotech are responsible for subscription/redemption of structured deposit products and the Chief Financial Officer of the Company is responsible for compliance with the relevant Listing Rules. For subscriptions of wealth management products using funds deposited with the same bank, according to the Group's policy on bank deposit management, the subscriptions only required approval from the Chief Financial Officer of Freotech Recycling and Nanjing Freotech. After these subscriptions were made, the Chief Financial Officer of Freotech Recycling and Nanjing Freotech had to report the relevant subscriptions to the Chief Financial Officer of the Company in Hong Kong on the same day. The Company failed to timely comply with the requirements under Rule 14.34, 14.38A and 14.40 of the Listing Rules due to the misunderstanding of the Chief Financial Officer of Freotech Recycling and Nanjing Freotech and the Chief Financial Officer of the Company that

LETTER FROM THE BOARD

the subscriptions of the structured deposit products were equivalent to fixed deposits and should be considered as cash and cash equivalents which would not constitute “transactions” under Chapter 14 of the Listing Rules.

The Company has implemented an internal control policy governing the disclosure of notifiable transactions under Chapter 14 of the Listing Rules. The personnel from the relevant department of the Group (e.g. the finance department of the relevant subsidiary for the subscription/redemption of structured deposit products) will first prepare and submit the application in respect of a potential transaction to his/her department head for review. After being reviewed and approved by the said department head, any potential transaction must be reported to the Company’s finance department prior to the signing of any legally binding agreement and/or the entering into of the relevant transaction. The Company’s finance department will then further review the potential transaction and calculate the applicable percentage ratios. In respect of a discloseable transaction, approval for the transaction has to be obtained from the Chief Financial Officer of the relevant subsidiary and then Chief Financial Officer of the Company, subject to the final approval from the chairman of the Board and/or the Board, and the Company will need to publish an announcement in relation to the relevant transaction. In respect of a major transaction and/or very substantial acquisition/disposal, approval for the transaction has to be obtained from the Chief Financial Officer of the relevant subsidiary and then Chief Financial Officer of the Company, subject to the final approval from the chairman of the Board and/or the Board and conditional on the approval of the relevant transaction by the Shareholders, and the Company will need to publish an announcement and despatch a circular to the Shareholders in relation to the relevant transaction. The Chief Financial Officer of the Company is responsible for ensuring the implementation of the said internal control policy and timely compliance with the relevant Listing Rules. As a result of the misunderstanding mentioned above, the Major CITIC Bank Subscriptions were not reported to the Board for approval at the time of the Major CITIC Bank Subscriptions in accordance with the internal control policy governing the disclosure of notifiable transactions under Chapter 14 of the Listing Rules. The management of the Company only became aware that the Major CITIC Bank Subscriptions would constitute “transactions” under Chapter 14 of the Listing Rules in around mid-September 2025.

Upon becoming aware of non-compliances in around mid-September 2025, the Company has organised a meeting with the Chief Financial Officer and the finance department of the Company, Fretech Recycling and Nanjing Fretech in second half of September 2025 to inform the relevant employees responsible for compliance the correct classification of structured deposit products and reminded the relevant employees to report the subscription/redemption of structured deposit products to the finance department and the Chief Financial Officer of the Company before the subscription/redemption of structured deposit products to ensure the relevant transaction complies with relevant requirements under the Listing Rules. The relevant employees responsible for subscription/redemption of structured deposit products and compliance with the Listing Rules are now fully aware of the relevant classification and the requirements under the Listing Rules.

LETTER FROM THE BOARD

The Company has updated the internal control policy governing the disclosure of notifiable transactions under Chapter 14 of the Listing Rules to specifically include some common types of transactions e.g. subscription/redemption of structured deposit products. The Company has provided the updated internal control policy to its legal adviser for review before circulating to its directors, senior management and responsible employees on 29 September 2025.

The Company will conduct half-yearly internal trainings to its directors, senior management and responsible employees to provide any update on the requirements of the Listing Rules and to refresh their understanding on the relevant requirements. The Company's finance department in the PRC and the finance department in Hong Kong (including the Chief Financial Officer) shall work more closely to oversee and monitor the Company's on-going compliance with the Listing Rules. The Company should seek advice from its external legal or other professional advisers to confirm compliance requirements for any proposed transactions or events if it considers necessary.

In light of the remedial measures implemented, the Company's responsible personnel are now fully apprised of the applicable requirements under the Listing Rules. To reinforce ongoing compliance, the Company will conduct half-yearly training sessions for employees and management to ensure they remain updated on the Listing Rules' provisions. The Board is satisfied that these measures effectively address the root cause of non-compliance, primarily arising from the management's misinterpretation of the relevant requirements, and will mitigate the risk of recurrence. Going forward, the Company will comply with the internal control policy governing the disclosure of the notifiable transactions under Chapter 14 of the Listing Rules for subscription/redemption of structured deposits products and ensure compliance with the Listing Rules in a timely manner.

6. GENERAL

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Fretech Road Recycling Technology (Holdings) Limited
Sze Wai Pan
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 December 2022, 2023 and 2024 and the unaudited financial information of the Group for the six months ended 30 June 2025 are disclosed in the annual reports of the Company for the financial years ended 31 December 2022 (pages 51-161), 31 December 2023 (pages 53-149) and 31 December 2024 (pages 52-151) and the interim report of the Company for the six months ended 30 June 2025 (pages 20 to 48), respectively. These consolidated financial statements are incorporated by reference into this circular.

The said annual reports and interim report of the Company are available on the Company's website (www.freotech-holdings.hk) and website of the Stock Exchange (www.hkex.com.hk).

2. WORKING CAPITAL SUFFICIENCY

The Directors are satisfied, after due and careful enquiry and based on the information currently available to the Directors, the financial resources available to the Group, cash generated from future operations, the existing cash and bank balances of the Group and the effect of the subscription of the structured deposit products, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular.

3. INDEBTEDNESS STATEMENT

Indebtedness and Contingent Liabilities

As at 31 October 2025, being the most recent practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

(i) Bank borrowings

The Group had total bank borrowings of HK\$129,579,000 comprising (i) guaranteed and unsecured bank borrowings of HK\$107,709,000 which were guaranteed by corporate guarantees provided by the Group's subsidiaries but were not secured by any assets of the Group or any third parties, and (ii) unsecured and unguaranteed bank borrowings of HK\$21,870,000.

(ii) Lease liabilities

The Group leases various properties for use as offices and warehouse. These lease liabilities were measured at net present value of the lease payments during the lease terms that are not yet paid. As at 31 October 2025, the Group had total lease liabilities amounted to approximately HK\$5,142,000 of which HK\$2,193,000 is payable within one year, and HK\$2,949,000 is payable after one year.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 October 2025, the Group did not have any debt securities issued or outstanding, or authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company, the Group is principally engaged in manufacturing and sale of road maintenance equipment, provision of road maintenance services and development, sales and leasing of properties in the PRC.

According to the National Conference on Eco-environmental Protection held by the Ministry of Ecology and Environment in first quarter 2025, it was explicitly stated that eight key tasks must be implemented by 2025, including implementing important measures to deepen the reform of the ecological civilization system, promoting the improvement of the basic ecological civilization system, the ecological environment governance system, and the green and low-carbon development mechanism. It also calls for comprehensively advancing the construction of a Beautiful China, deepening the implementation mechanism for the construction of a Beautiful China, coordinating the development of Beautiful China pilot zones, and systematically planning the ecological and environmental protection during the 15th Five-Year Plan period. In addition, the PRC government's investment in road maintenance by the PRC Government is expected to continue to grow at a high rate, with fiscal expenditures expected to reach over RMB100 billion. With our patent "Hot-in-Place" recycling technology and other new products, the Group will benefit from the increasing demand for APM and the favourable environment in the PRC, especially those using the recycling technologies.

Firstly, as at 31 December 2024, China has the longest expressway and the second longest highway (in terms of mileage) in the world. 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. Secondly, the Group had developed part of the South China market which enables the Group to perform APM services during slack season. Thirdly, subsequent to the Company's sale of a modular series equipment to a customer in the Republic of Korea and standard series equipment to customers in Macau, Malaysia and Taiwan, the Company will continue to explore the overseas business opportunities and strategic cooperation with other companies, such as some listed companies and large-scale or state-owned enterprises. Fourthly, the Group will continue to leverage on its state-owned partners' overseas channels to explore overseas business opportunities. The Group is making an effort to promote its overseas business opportunities in the countries along the "One Belt One Road" and four Asian tigers. In light of these, the Group is well positioned to benefit from the government's policies and the positive development prospects in the environmental protection sector.

As 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”, the Group will leverage on its competitive advantages and implement favourable policies to achieve a healthy growth in its business. The Group plans to enhance its market position, enter into new markets and enlarge its share in existing markets by the following means:

1. it will increase market penetration, particularly in cities where the use of “Hot-in-Place” recycling technology is currently relatively limited;
2. it will focus on the cities which will hold major events to gain and complete projects of high awareness;
3. it will diversify its product range and develop new product in road industry;
4. it will continue to invest in its testing and planning department by devoting more equipment and staff in it so as to enhance its one-stop solution and generate new revenue stream which is road doctor consultant services;
5. it will further optimize its techniques and technologies to lower the construction costs; and
6. it will leverage on its state-owned partners’ overseas channels to expand the international APM equipment and services market.

In addition, the construction work of the investment property acquired by the Group 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) in December 2016 has commenced in first quarter of 2022. The investment property will not only enable the Group to enhance its research and development capabilities, but also will bring additional sale and lease income streams to the Group in future. It is expected that the construction will complete in the first quarter of 2027.

Looking into the future, the Group holds confidence in its business prospects and will strive to provide higher returns for its shareholders with the principle of “Efficient use of technology to create multi-win situations” (“善用科技，共創多贏”).

5. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, save as disclosed in the announcement of the Company dated 19 December 2025, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

As disclosed in the announcement of the Company dated 19 December 2025, following a preliminary review of the currently available information, the Group was anticipated to record a loss attributable to owners of the Company (the “**Net Loss**”) of approximately HK\$50.0 million for the year ended 31 December 2025 as compared to a net profit attributable to owners of the Company of approximately HK\$12.6 million for the year ended 31 December 2024.

The expected Net Loss for the year ending 31 December 2025 was mainly attributable to the following factors:

- (i) some of the asphalt pavement maintenance (the “**APM**”) services projects of the Group have been delayed to 2026 due to the funds for these projects have not yet been confirmed in 2025, the Group is anticipated to record a decrease in the revenue of the APM services segment; and
- (ii) the Group is anticipated to record an impairment of trade receivables and contract assets for the financial year ending 31 December 2025.

6. EFFECT OF THE MAJOR CITIC BANK SUBSCRIPTIONS ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

As the term of each of the structured deposit products under the Major Citic Bank Subscriptions was less than one year, they were initially classified and recorded as financial assets at fair value through profit or loss under the current assets of the consolidated statement of financial position of the Group. Upon maturity, the relevant structured deposits were transferred from financial assets at fair value through profit or loss to cash under the current assets of the consolidated statement of financial position of the Group. The Group recorded investment income of approximately RMB591,246 for the Major Citic Bank Subscriptions in the consolidated statement of profit or loss.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors and chief executive(s) of the Company is taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

(i) Long positions in the shares of the Company

Name of Directors	Personal Interests		Total	Approximate percentage of shareholdings
	Number of shares held	Corporate interest		
Mr. Sze	13,000,000	529,688,260 ⁽¹⁾	542,688,260	50.30%
Ms. Sze Wan Nga	880,000	29,640,000 ⁽²⁾	30,520,000	2.83%
Mr. Chan Kai King	3,166,667	—	3,166,667	0.29%
Dr. Chan Yan Chong	50,000	—	50,000	0.00%

Notes:

- Mr. Sze is the beneficial owner of all the issued share capital of Freetech Cayman, Freetech (BVI) Limited (“**Sze BVI**”) and Freetech Technology (Holdings) Limited (“**Freetech Technology**”) and therefore is deemed to be interested in a total of 529,688,260 shares of the Company held by Freetech Cayman, Sze BVI and Freetech Technology. Mr. Sze is the director of Sze BVI, Freetech Technology and Freetech Cayman.
- Ms. Sze Wan Nga is the beneficial owner of all the issued share capital of Intelligent Executive Limited (“**Intelligent Executive**”) and therefore is deemed to be interested in 29,640,000 shares of the Company held by Intelligent Executive. Ms. Sze is the director of Intelligent Executive, Freetech Cayman, Sze BVI and Freetech Technology.

(ii) Long positions in the shares of associated corporation of the Company

Name of Directors	Name of associated corporation	Capacity	Number of shares held in associated corporation	Percentage of existing issued share capital of the associated corporations
Mr. Sze	Freotech Cayman	Beneficial owner	1,162,956	100%
Mr. Sze	Sze BVI	Beneficial owner	1	100%
Mr. Sze	Freotech Technology	Beneficial owner	100	100%
Ms. Sze Wan Nga	Intelligent Executive	Beneficial owner	10,000	100%

Save as disclosed above, as at Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARE CAPITAL OF THE COMPANY

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Name of shareholder	Capacity	Number of Shares or underlying Shares held in the Company	Approximate percentage of existing issued share capital of the Company
Freotech Technology ⁽¹⁾	Interest in controlled corporation	529,688,260	49.09%
Sze BVI ⁽¹⁾	Interest in controlled corporation	529,688,260	49.09%
Freotech Cayman ⁽¹⁾	Beneficial owner	529,688,260	49.09%
Bank of Communications Trustee Limited ⁽²⁾	Trustee	101,536,200	9.41%

Notes:

1. The relationship between Freetech Technology, Sze BVI, Freetech Cayman and Mr. Sze is disclosed under the heading “Interests and Short Positions of Directors and the Chief Executive in the Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations” above.
2. Bank of Communications Trustee Limited (“**BOCM Trustee**”) is appointed by the Company to purchase such the shares of the Company on the Stock Exchange or off-market and to hold them in trust for the benefit of the employees on and subject to the terms and conditions of the scheme rules and the trust deed of the share award scheme. According to the disclosure interest form filed by BOCM Trustee on 11 April 2025, the number of shares held by BOCM Trustee were 97,236,200. As additional shares were acquired by BOCM Trustee, the number of shares held by BOCM Trustee were 101,536,200 as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, there was no other person (other than the directors or chief executive of the Company whose interests in shares, underlying shares and debentures of the Company or any of its associated corporations as set out above) was interested (or deemed to be interested) or held any short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

4. DIRECTORS’ INTERESTS IN ASSETS OF THE GROUP AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Group were made up) up to the Latest Practicable Date.

None of the Directors was materially interested in any contract or arrangement subsisting which was significant in relation to the business of the Group as at the Latest Practicable Date.

5. DIRECTORS’ COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors nor their respective close associates (as defined in the Listing Rules) had any interest in any business which competes or is likely to compete, or is in conflict or is likely to be in conflict, either directly or indirectly, with the business of Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Group which was not determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. MATERIAL CONTRACTS

The following contracts and/or transactions (not being contracts and/or transactions entered into in the ordinary course of business) have been entered into by the members of the Group within the two years preceding the Latest Practicable Date which are or may be material:

- (a) the share purchase agreement dated 22 November 2024 entered into between Tianjin Expressway Group Company Limited* (天津高速公路集團有限公司), as purchaser, and Freetech Smart Road Recycling Engineering Investment Limited (英達智能道路再生工程投資有限公司) (an indirect non-wholly owned subsidiary of the Company), as vendor, in respect of the disposal of 55% of the issued shares of Tianjin Expressway Maintenance Company Limited* (天津市高速公路養護有限公司) at a consideration of RMB71.1 million;
- (b) the termination agreement dated 20 December 2024 entered into between Freetech Ecological and Tongzhou Construction General Contracting Group Co., Ltd. (通州建總集團有限公司) (the “**Original Contractor**”) to terminate the contract dated 15 October 2021 and entered into between Freetech Ecological and the Original Contractor relating to the construction at 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) (the “**Land**”) pursuant to which Freetech Ecological agreed to pay approximately RMB12.1 million to the Original Contractor within 10 days after receiving the invoice issued by the Original Contractor and the remaining RMB4.5 million will be paid on or before 31 December 2025 after completion of certain verification works to settle all outstanding contract sum;
- (c) the contract dated 20 December 2024 and entered into between Freetech Ecological and China Construction No. 6 Engineering Department Co., Limited* (中國建築第六工程局有限公司) (the “**New Contractor**”) relating to the construction at the Land, together with the supplemental agreement entered into between Freetech Ecological and the New Contractor on the same date, under which Freetech Ecological has engaged the New Contractor for the construction on the Land for a contract sum of RMB258.4 million;
- (d) the subscription dated 4 September 2025 and entered into between Nanjing Freetech and Bank of Jiangsu Co., Limited in relation to the subscription of certain structured deposit product in the principal amount RMB10,000,000 by Nanjing Freetech;
- (e) the subscription dated 14 January 2025 and entered into between Nanjing Freetech and China Zheshang Bank Co., Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB7,000,000 by Nanjing Freetech;

- (f) the subscription dated 19 February 2025 and entered into between Freetech Recycling and China Zheshang Bank Co., Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB10,000,000 by Freetech Recycling;
- (g) the subscription dated 19 February 2025 and entered into between Freetech Recycling and China Zheshang Bank Co., Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB8,000,000 by Freetech Recycling;
- (h) the subscription dated 31 March 2025 and entered into between Freetech Recycling and China Zheshang Bank Co., Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB3,000,000 by Freetech Recycling;
- (i) the subscription dated 27 March 2025 and entered into between Freetech Recycling and China Merchants Bank Co., Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB10,000,000 by Freetech Recycling;
- (j) the subscription dated 30 May 2025 and entered into between Freetech Recycling and China Merchants Bank Co., Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB10,000,000 by Freetech Recycling;
- (k) the subscription dated 3 September 2025 and entered into between Freetech Recycling and China Merchants Bank Co., Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB9,000,000 by Freetech Recycling;
- (l) the subscription dated 3 September 2025 and entered into between Freetech Recycling and China Merchants Bank Co., Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB1,000,000 by Freetech Recycling;
- (m) the subscription dated 23 January 2025 and entered into between Freetech Recycling and Bank of China Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB5,650,000 by Freetech Recycling;
- (n) the subscription dated 23 January 2025 and entered into between Freetech Recycling and Bank of China Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB5,350,000 by Freetech Recycling;

- (o) the subscription dated 27 February 2025 and entered into between Freetech Recycling and Bank of China Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB10,000,000 by Freetech Recycling;
- (p) the subscription dated 5 June 2025 and entered into between Freetech Recycling and Bank of China Limited in relation to the subscription of certain structured deposit product in the principal amount of RMB10,000,000 by Freetech Recycling;
- (q) the subscription dated 5 June 2025 and entered into between Nanjing Freetech and Bank of China in relation to the subscription of certain structured deposit product in the principal amount of RMB20,000,000 by Nanjing Freetech;
- (r) the subscription dated 6 August 2025 and entered into between Nanjing Freetech and Bank of China in relation to the subscription of certain structured deposit product in the principal amount of RMB20,000,000 by Nanjing Freetech;
- (s) the subscription dated 17 January 2025 and entered into between Freetech Recycling and CITIC Bank in relation to the subscription of the Gongying Zhixin Exchange Rate Linked RMB Structured Deposits No. 19920* (共贏智信匯率掛鉤人民幣結構性存款19920期) in the principal amount of RMB10,000,000 by Freetech Recycling;
- (t) the subscription dated 23 January 2025 and entered into between Nanjing Freetech and CITIC Bank in relation to the subscription of the Gongying Huixin Interest Rate Linked RMB Structured Deposits No. 01885* (共贏慧信利率掛鉤人民幣結構性存款01885期) in the principal amount of RMB20,000,000 by Nanjing Freetech;
- (u) the subscription dated 28 February 2025 and entered into between Nanjing Freetech and CITIC Bank in relation to the subscription of the Gongying Zhixin Gold Linked RMB Structured Deposits No. 10926* (共贏智信黃金掛鉤人民幣結構性存款10926期) in the principal amount of RMB40,000,000 by Nanjing Freetech;
- (v) the subscription dated 29 March 2025 and entered into between Nanjing Freetech and CITIC Bank in relation to the subscription of the Gongying Zhixin Gold Linked RMB Structured Deposits No. A00727* (共贏智信黃金掛鉤人民幣結構性存款A00727期) in the principal amount of RMB40,000,000 by Nanjing Freetech;
- (w) the subscription dated 26 April 2025 and entered into between Freetech Recycling and CITIC Bank in relation to the subscription of the Gongying Huixin Exchange Rate Linked RMB Structured Deposits No. A02896* (共贏智信匯率掛鉤人民幣結構性存款A02896期) in the principal amount of RMB24,000,000 by Freetech Recycling;

- (x) the subscription dated 28 April 2025 and entered into between Nanjing Freetech and CITIC Bank in relation to the subscription of the Gongying Huixin Gold Linked RMB Structured Deposits No. A03369* (共贏智信黃金掛鉤人民幣結構性存款A03369期) in the principal amount of RMB40,000,000 by Nanjing Freetech;
- (y) the subscription dated 30 May 2025 and entered into between Nanjing Freetech and CITIC Bank in relation to the subscription of the Gongying Huixin Interest Rate Linked RMB Structured Deposits No. A05335* (共贏智信利率掛鉤人民幣結構性存款A05335期) in the principal amount of RMB25,000,000 by Nanjing Freetech;
- (z) the subscription dated 29 July 2025 and entered into between Freetech Recycling and CITIC Bank in relation to the subscription of the Gongying Huixin Interest Rate Linked RMB Structured Deposits No. A09827* (共贏智信利率掛鉤人民幣結構性存款A09827期) in the principal amount of RMB24,000,000 by Freetech Recycling; and
- (aa) the subscription dated 27 August 2025 and entered into between Nanjing Freetech and CITIC Bank in relation to the subscription of the Gongying Zhixin Exchange Rate Linked RMB Structured Deposits No. A11822* (共贏智信匯率掛鉤人民幣結構性存款A11822期) in the principal amount of RMB20,000,000 by Nanjing Freetech.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, the Group was not engaged in any material litigation or arbitration of material importance and there was no material litigation or claim of material importance known to the Directors to be pending or threatened by or against any members of the Group.

9. MISCELLANEOUS

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and the head office and principal place of business in Hong Kong of the Company is at Room 2501, 25/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.
- (b) The company secretary of the Company is Mr. Lim Eng Sun. He is a fellow member of the Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants.
- (c) The branch registrar of the Company is Tricor Investor Services Limited and its address is 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (www.freotech-holdings.hk), for a period of 14 days from the date of this circular:

- (a) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Zhixin Exchange Rate Linked RMB Structured Deposits No. 19920* (共贏智信匯率掛鈎人民幣結構性存款19920期) in the principal amount of RMB10,000,000 by Freotech Recycling;
- (b) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Huixin Interest Rate Linked RMB Structured Deposits No. 01885* (共贏慧信利率掛鈎人民幣結構性存款01885期) in the principal amount of RMB20,000,000 by Nanjing Freotech;
- (c) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Zhixin Gold Linked RMB Structured Deposits No. 10926* (共贏智信黃金掛鈎人民幣結構性存款10926期) in the principal amount of RMB40,000,000 by Nanjing Freotech;
- (d) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Zhixin Gold Linked RMB Structured Deposits No. A00727* (共贏智信黃金掛鈎人民幣結構性存款A00727期) in the principal amount of RMB40,000,000 by Nanjing Freotech;
- (e) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Huixin Exchange Rate Linked RMB Structured Deposits No. A02896* (共贏智信匯率掛鈎人民幣結構性存款A02896期) in the principal amount of RMB24,000,000 by Freotech Recycling;
- (f) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Huixin Gold Linked RMB Structured Deposits No. A03369* (共贏智信黃金掛鈎人民幣結構性存款A03369期) in the principal amount of RMB40,000,000 by Nanjing Freotech;
- (g) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Huixin Interest Rate Linked RMB Structured Deposits No. A05335* (共贏智信利率掛鈎人民幣結構性存款A05335期) in the principal amount of RMB25,000,000 by Nanjing Freotech;

- (h) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Huixin Interest Rate Linked RMB Structured Deposits No. A09827* (共贏智信利率掛鉤人民幣結構性存款A09827期) in the principal amount of RMB24,000,000 by Freetech Recycling; and
- (i) the customer receipt issued by CITIC Bank in relation to the subscription of the Gongying Zhixin Exchange Rate Linked RMB Structured Deposits No. A11822* (共贏智信匯率掛鉤人民幣結構性存款A11822期) in the principal amount of RMB20,000,000 by Nanjing Freetech.