

**FREETECH ROAD RECYCLING TECHNOLOGY (HOLDINGS) LTD:  
A GROWTH COMPANY WITH GOOD CONTACTS ...  
WHERE IT'S NEEDED !**

It would appear, very obvious, that Freetech Road Recycling Technology (Holdings) Ltd ([ ]) (Code: 6888, Main Board, The Stock Exchange of Hongkong Ltd) is held in high esteem by some rather illustrious corporate entities and individuals of the People's Republic of China (PRC).

And, as the Americans like to say: *'They have put their money where their mouths are'*.

Freetech Road Recycling Technology pitched its story in its Global Offering Prospectus, dated June 14, 2013.

It is Offering 260 million, 10-cent Shares at an Indicative Offer Price Per Share, ranging from \$HK2.43 to \$HK3.32.

Of the total number of Shares on Offer, only 26 million Shares are being Offered to Hongkong Investors, with International Investors, being Offered 234 million Shares.

The Company is engaged in *'the Hot-In-Place recycling technology in the asphalt pavement maintenance industry in the PRC'*, proper, as opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC.

It is noted that prospective shareholders will have to pay between 3.20 times and 3.39 times the Consolidated Net Tangible Asset Value Per Share if they want to buy into this Company.

Which may sound as though the price of the Shares is expensive, but, long term, it might turn out that the Offer Shares are very reasonably priced.

**The Reason For The Offering**

At the midpoint of the Indicative Offer Price Per Share, being \$HK2.875, the Company estimates that it will net about \$HK686.20 million.

That amount of money is earmarked for the following:

- About 20 percent of the net proceeds – about \$HK137.30 million – for investment in research and development;
- About 20 percent of the net proceeds – about \$HK137.30 million – *'for establishing joint ventures in select provinces in the PRC and expanding asphalt pavement maintenance service teams'*;
- About 15 percent of the net proceeds – about \$HK102.90 million – *'for manufacturing asphalt pavement maintenance equipment'*;
- About 15 percent of the net proceeds – about \$HK102.90 million – *'for acquisitions of other asphalt pavement maintenance service providers'*;
- About 10 percent of the net proceeds – about \$HK68.60 million – *'for constructing our new production facility and expanding our current production facility'*;

- About 10 percent of the net proceeds – about \$HK68.60 million – ‘for establishing sales offices in new markets’; and,
- About 10 percent of the net proceeds – about \$HK68.60 million – to be tipped into the Working Capital Account.

In respect of ... [CLICK TO ORDER FULL ARTICLE](#)

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