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ECO-TEK HOLDINGS LIMITED

環康集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8169)

MAJOR TRANSACTION

in respect of

**the acquisition of 42.5% shareholding interest in and the secured loan made to
Asian Way International Limited**

The Board is pleased to announce that on 16 November 2005, the MOU was entered into between Well Spread, a wholly-owned subsidiary of the Company, the Vendor and Asian Way in relation to, inter alia, (i) the acquisition by Well Spread of 4,250 Asian Way Shares (representing 42.5% shareholding interest in Asian Way); (ii) the granting by Well Spread to Asian Way of a loan under a facility up to an aggregate amount not exceeding RMB60 million (equivalent to HK\$57.60 million), which shall be applied for the construction of the Water Supply Plant which is indirectly wholly-owned by Asian Way. Asian Way and its ultimate beneficial owners, including the Vendor are independent third parties who are not connected persons of the Company (as defined in the GEM Listing Rules) therein.

Following the execution of the MOU, the Agreements, which includes the Sale and Purchase Agreement, the Loan Agreement and the Share Charge, were also entered into between Well Spread, the Vendor and Asian Way on 16 November 2005, respectively.

The Acquisition and the granting of the Secured Loan in aggregate pursuant to the Agreements constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. An EGM will be held to approve the Agreements and the transactions contemplated thereunder. To the best knowledge of the Directors, no connected persons of the Company has any interests in the transaction, and none of Asian Way, Tianjin Asian Way and its ultimate beneficial owners, including the Vendor, and their respective associates has any interests in the Company, no shareholders of the Company is required to abstain from voting in the EGM and the voting in respect of the approval of the major transaction will be conducted by way of poll.

A circular containing, among other things, further information about the Acquisition and the Secured Loan will be dispatched to the shareholders of the Company as soon as practicable.

Suspension and resumption of trading

At the request of the Company, trading in the Company's shares on the Stock Exchange was suspended from 2:30 p.m. on 16 November 2005 pending the issue of this Announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Company's shares on the Stock Exchange with effect from 9:30 a.m. on 21 November 2005.

THE MEMORANDUM OF UNDERSTANDING

Date: 16 November 2005.

Parties: (i) Well Spread;
(ii) the Vendor; and
(iii) Asian Way.

Particulars of the MOU

As at the date of the MOU, the Vendor legally and beneficially held 8,000 Asian Way Shares (representing 80% of the total issued share capital of Asian Way), which in turn indirectly owned 80% of Tianjin Asian Way. Tianjin Asian Way was established for the purpose to construct and operate the Water Supply Plant. The MOU was entered into by the parties thereto to set out their intention in respect of (i) the acquisition by Well Spread of 42.5% shareholding interest in Asian Way from the Vendor (the Sale and Purchase Agreement was entered into by Well Spread and the Vendor setting out the agreed terms of the Acquisition; please refer to the following section headed "The Sale and Purchase Agreement" for details); (ii) the advance of a loan in the amount of RMB60 million (equivalent to HK\$57.60 million) by Well Spread to Asian Way (the Loan Agreement was entered into by Well Spread, Asian Way and the Vendor setting out the agreed terms in relation to the Secured Loan; please refer to the following section headed "The Loan Agreement" for details); (iii) the management of Asian Way including the composition of its board of directors and the appointment of a finance officer; and (iv) the construction and the operation of the Water Supply Plant by Tianjin Asian Way, which is wholly-owned by Asian Way.

THE SALE AND PURCHASE AGREEMENT

Date: 16 November 2005.

Parties: (i) Well Spread as the purchaser; and
(ii) the Vendor as the vendor.

Assets to be acquired

The Sale Shares, being a total of 4,250 Asian Way Shares, representing 42.5% shareholding interest in Asian Way. Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell the Sale Shares, and Well Spread has conditionally agreed to purchase the Sale Shares, in three batches (being 1,400 Asian Way Shares (i.e. the Sale Shares I), 1,400 Asian Way Shares (i.e. the Sale Shares II) and 1,450 Asian Way Shares (i.e. the Sale Shares III)).

Consideration

The total consideration for the Sale Shares is HK\$4,250.00, being HK\$1,400.00, HK\$1,400.00 and HK\$1,450.00 as consideration for the Sale Shares I, Sale Shares II and Sale Shares III respectively, and will be satisfied by cash payable to the Vendor on the relevant Completion Dates. The consideration for the Sales Shares was determined after arm's length negotiations between Well Spread and the Vendor with reference to the nominal value of Asian Way Shares, which is HK\$1.00 each.

Conditions

Completion of the Acquisition, which will be carried out in three stages, is subject to the following conditions being fulfilled and/or waived on the relevant Completion Dates:

- (a)
 - (i) in relation to the sale and purchase of the Sale Shares I on Completion Date I, Well Spread having made the first advance of the Secured Loan in the sum of RMB10 million (equivalent to HK\$9.60 million) to Asian Way on the date of signing the Sale and Purchase Agreement, by way of depositing such sum in Hong Kong dollars with Asian Way's solicitors as stakeholders, upon and subject to the terms and conditions of the Loan Agreement;
 - (ii) in relation to the sale and purchase of the Sale Shares II on Completion Date II, Well Spread having made the second advance of the Secured Loan in the sum of RMB10 million (equivalent to HK\$9.60 million) to Asian Way, upon and subject to the terms and conditions of the Loan Agreement; and
 - (iii) in relation to the sale and purchase of the Sale Shares III on Completion Date III, Well Spread having made the third advance of the Secured Loan in the sum of RMB10 million (equivalent to HK\$9.60 million) to Asian Way, upon and subject to the terms and conditions of the Loan Agreement;
- (b) if required under the GEM Listing Rules, the Stock Exchange having approved the transactions contemplated under the Sale and Purchase Agreement, the Loan Agreement and the Share Charge;

- (c) if required under the GEM Listing Rules, the general meeting of the Company having approved the transactions contemplated under the Sale and Purchase Agreement and the Loan Agreement and the Share Charge;
- (d) all other consents (if any) which are required or appropriate for the entering into or the performance of obligations under the Sale and Purchase Agreement by the parties having been obtained, and all filings with any relevant governmental or regulatory authorities and other relevant third parties (including without limitation courts and banks) in Hong Kong or elsewhere which are required or appropriate for the entering into and the implementation of the Sale and Purchase Agreement having been made and such consents (if any) remaining in full force and effect and there being no statement, notification or intimation of an intention to revoke or not to renew the same having been received;
- (e) the performance and observance by the Vendor of all the undertakings and covenants (as the case may be) on the part of the Vendor contained in the Sale and Purchase Agreement; and
- (f) due diligence having been completed by Well Spread or its authorized agent(s) in respect of Asian Way, Tianjin Asian Way and the Water Supply Plant, and the results of such due diligence shall be to the satisfaction of Well Spread.

For avoidance of doubt, (1) conditions (b), (c) and (f), and conditions (a)(i), (d) to (e) in respect of Sale Shares I shall be fulfilled on or before the Completion Date I; (2) conditions (a)(ii), (d) to (e) in respect of Sale Shares II shall be fulfilled on or before the Completion Date II; and (3) conditions (a)(iii), (d) to (e) in respect of Sale Shares III shall be fulfilled on or before the Completion Date III. Well Spread or the Vendor (as the case may be) may in its absolute discretion waive any of the above conditions, save and except for conditions (b) and (c). If any of the relevant conditions shall not have been fulfilled or waived (as the case may be) on or before the Completion Date I, the Sale and Purchase Agreement shall become null and void and of no legal effect. Unless and the non-fulfillment is attributable to (i) the fraud on the part of the Vendor, or (ii) misleading information provided by the Vendor, or (iii) the Vendor fails to provide relevant information in its control or possession to Well Spread and/or the Stock Exchange and the Vendor does not agree to extend Completion Date I, or (iv) the Stock Exchange deems that Asian Way is a connected person (as defined in the Listing Rules) of the Company and the controlling shareholder of the Company is restricted from voting at the general meeting of the Company and as a result of which, approval of the shareholders of the Company at the general meeting set out in condition (c) is not obtained, Well Spread will be liable to reimburse the Vendor and /or Asian Way for all reasonable costs and expenses incurred by them in negotiating the transactions, providing relevant information to Well Spread and negotiating and preparing documents contemplated under the Sales and Purchase Agreement with a maximum of HK\$1,000,000.00.

Completion

Subject to the fulfillment or waiver of all the relevant conditions as set out in the Sale and Purchase Agreement, the sale and purchase of the Sale Shares will be completed in three stages:

- (i) Completion I – Subject to the fulfillment or waiver of all relevant conditions on or before Completion Date I, 1,400 Sale Shares will be sold to Well Spread by the Vendor;
- (ii) Completion II - Subject to the fulfillment or waiver of all relevant conditions on or before Completion Date II, 1,400 Sale Shares will be sold to Well Spread by the Vendor; and
- (iii) Completion III - Subject to the fulfillment or waiver of all relevant conditions on or before Completion Date III, 1,450 Sale Shares will be sold to Well Spread by the Vendor.

For the avoidance of doubt, Completion II shall not take place unless Completion I has occurred; and Completion III shall not take place unless Completion II has occurred.

In the event that, other than due to the default of Well Spread, the Vendor shall despite fulfillment or waiver of the relevant conditions fail to complete the sale of the relevant Sale Shares to Well Spread pursuant to the terms of the Sale and Purchase Agreement and/or to carry out any of the Vendor's obligations therein, it shall be open to Well Spread either to enforce the sale of the relevant Sale Shares and the performance of the outstanding obligations by decree of specific performance against the Vendor or by written notice to the Vendor to forthwith rescind the Sale and Purchase Agreement but without prejudice to the right of Well Spread to claim for damages (if any) against the Vendor. Without prejudice to the rights of Well Spread thereunder, the Vendor undertakes to refund all advances previously made by Well Spread on Completion I, Completion II and/or Completion III within 10 Business Days from the date when Well Spread delivers a written demand in this connection to the Vendor.

It was stated in the MOU that the board of directors of Asian Way will comprise five directors, three of which will be nominated by Well Spread and the remaining two directors will be nominated by the Vendor. Pursuant to the Sale and Purchase Agreement, upon Completion I, Well Spread shall be entitled to nominate up to three persons as directors of Asian Way, while a meeting of the board of directors of Asian Way shall be adjourned and not be convened if the three directors nominated by Well Spread or their respective nominees are not present, and Well Spread shall procure that its nominated directors shall not unreasonably be absent from such meeting. If any of the directors nominated by Well Spread or their respective authorized representatives fail to attend the adjourned meeting, the board meeting shall proceed as long as a quorum is formed. In addition to the board of directors, Well Spread shall also be entitled, upon Completion I to nominate a finance officer to monitor the use of the Secured Loan. Provided once all the outstanding indebtedness relating to the Secured Loan is fully repaid, Well Spread shall cause one of the directors nominated by it to forthwith resign within three Business Days.

As at the date of the Sale and Purchase Agreement, Asian Way is owned as to 80% by the Vendor, 10% by Mr. Deng Yao Hui and 10% by Ms. Chen Xueying. Immediately upon Completion III, Asian Way will be owned as to 42.5% by Well Spread, 37.5% by the Vendor, 10% by Mr. Deng Yao Hui and 10% by Ms. Chen Xueying. The Vendor, Mr. Deng Yao Hui and Ms. Chen Xueying are independent third parties to the Group.

THE LOAN AGREEMENT

Date: 16 November 2005.

Parties: (i) Asian Way as the borrower;
(ii) Well Spread as the lender; and
(iii) the Vendor.

The Secured Loan

Pursuant to the Loan Agreement, Well Spread has conditionally agreed to make available to Asian Way the Secured Loan under a facility up to an aggregate amount not exceeding RMB60 million (equivalent to HK\$57.60 million), which is non-revolving and shall be applied for the construction of the Water Supply Plant. The Secured Loan will be financed by the internal resources and bank borrowings of the Group.

Conditions

The granting of the Secured Loan by Well Spread to Asian Way is subject to, inter alia, the following conditions:

- (a) the Share Charge in respect of 3,750 Asian Way Shares (representing 37.5% of the issued share capital of Asian Way) which are legally and beneficially owned by the Vendor has been executed by the Vendor in favour of Well Spread;
- (b) Well Spread has received the payments in respect of all fees, costs and expenses incurred by it in connection with the Secured Loan and the Share Charge from Asian Way (and such payment may be deducted from the gross amount of the Secured Loan to be advanced to Asian Way by Well Spread) and the documents requested under the Loan Agreement;
- (c) if required under the GEM Listing Rules, all necessary approvals of the transactions contemplated under the Loan Agreement, the Share Charge and the Sale and Purchase Agreement has been given by the Stock Exchange and the general meeting of the Company;
- (d) the Sale and Purchase Agreement has been executed by the Vendor and Well Spread.

Drawdowns

Subject to the conditions of the granting of the Secured Loan by Well Spread to Asian Way, the Secured Loan will be available for during the period commencing from the date of the Loan Agreement and ending on 30 June 2007 or such later date as the parties may agree from time to time.

Subject to the fulfillment of all relevant conditions as set out in the Loan Agreement and above, the Secured Loan will be advanced to Asian Way by installments:

- (i) subject to conditions (a) and (d), the first advance of the Secured Loan of RMB10 million (equivalent to HK\$9.60 million) will be transferred to the bank account designated by Asian Way's solicitors, as the stakeholder, on the date of the Loan Agreement, and such amount shall only be released to Asian Way by its solicitors upon fulfillment of condition (c);
- (ii) the second advance of the Secured Loan of RMB10 million (equivalent to HK\$9.60 million) will be made available on the date falling 30 days from the date of the Company successfully obtaining the necessary approvals and subject to successful drawdown of the first advance of the Secured Loan;
- (iii) the third advance of the Secured Loan of RMB10 million (equivalent to HK\$9.60 million) will be made available on the date falling on 60 days from the date of the Company successfully obtaining the necessary approvals and subject to successful drawdown of the second advance of the Secured Loan; and
- (iv) all subsequent advance(s) of the Secured Loan of a total amount not exceeding RMB30 million (equivalent to HK\$28.80 million) will be made available before 1 July 2007, or such later date as Well Spread may agree and within 3 Banking Days after receiving the relevant Drawdown Notice(s) by Well Spread from Asian Way. For the avoidance of doubt, all subsequent advance(s) shall not be made by Well Spread unless the third advance mentioned in paragraph (iii) above has been made according to the terms of the Loan Agreement and the funding need based on the progress of the construction of the Water Supply Plant.

Repayment

The cash generated from Net Profit shall be used to repay the Secured Loan on each Repayment Date, until the Secured Loan is fully repaid by Asian Way to Well Spread.

The final repayment date of the Secured Loan shall be the date falling 60 months from the first drawdown date of the Secured Loan or such later date as may be agreed by Well Spread in writing. According to the terms of the Loan Agreement, Asian Way has agreed to procure the application by Tianjin Asian Way, which is wholly-owned by Asian Way, of its Net Profit for repayment of the Secured Loan on each Repayment Date, until the Secured Loan, interest and all other indebtedness of Asian Way to Well Spread under the Loan Agreement, the Share Charge and any such other relevant documents have been fully repaid to Well Spread by the final repayment date of the Secured Loan.

After the Secured Loan has been fully repaid, the cash generated from the Net Profit will be used to repay a loan in the amount of US\$2 million borrowed by Asian Way from its existing shareholders (the Shareholders' Loan which amount has been injected by Asian Way into Tianjin Asian Way as the registered capital and ultimately invested in the Water Supply Plant) before Tianjin Asian Way can declare dividend.

Pursuant to the Loan Agreement, Well Spread, Asian Way and the Vendor agree that when Tianjin Asian Way is able to borrow a bank loan by itself, such bank loan shall be used first to repay all the outstanding Secured Loan due to Well Spread, the remaining of which, if any, shall be used to repay the US\$2 million borrowed by Asian Way from its existing shareholders.

Within 40 days from the final repayment date or such later date as the Vendor may consent in writing (and such consent may not be unreasonably withheld), Well Spread shall discharge the Vendor from all liabilities under the Share Charge and return the relevant shares under the Share Charge and if any, all income, benefits, rights, dividends, advantages, allotment and accretions accrued thereon to the Vendor free from encumbrances or third parties right whatsoever.

Interest

The Secured Loan will bear interest at the prevailing prime rate (adopted by the Hongkong and Shanghai Banking Corporation Limited as amended from time to time) plus 5.5% per annum in respect of the principal outstanding for the time being. Interest shall be payable by Asian Way to Well Spread on 30 June and 31 December of each calendar year.

THE SHARE CHARGE

Date: 16 November 2005.

Parties: (i) The Vendor as the chargor; and
(ii) Well Spread as the lender.

As a continuing security for the due and punctual payment of the Secured Loan, together with interest and all other indebtedness of Asian Way to Well Spread arising under the Loan Agreement from time to time, and for the due and punctual observance and performance of all obligations of Asian Way contained in the Loan Agreement, the Vendor as beneficial owner of 3,750 Asian Way Shares after completion of the Acquisition (representing 37.5% of the issued share capital in Asian Way) has agreed to execute the Share Charge in favour of Well Spread.

THE AGREEMENTS

The Sale and Purchase Agreement and the Loan Agreement are inter-conditional. The Loan Agreement and the Share Charge are inter-conditional.

INFORMATION ON ASIAN WAY, TIANJIN ASIAN WAY AND THE WATER SUPPLY PLANT

Asian Way was incorporated in Hong Kong on 9 February 2001 as an investment holding company. Tianjin Asian Way, Asian Way's wholly-owned subsidiary in the PRC, was established in the PRC as a wholly foreign owned enterprise on 7 August 2002. The operating period of Tianjin Asian Way is 30 years from 7 August 2002 to 6 August 2032. Tianjin Asian Way was established for the development, operation and management of real estate properties and the development and operation of the water supply plant and related consultation services. The registered capital of Tianjin Asian Way amounts to US\$2 million (equivalent to approximately HK\$15.60 million) which has been fully paid up in June 2005 by Asian Way. The Directors have confirmed that save for the investment in the Water Supply Plant, Asian Way and Tianjin Asian Way have not engaged in any other business since their respective dates of incorporation and establishment.

On 4 September 2004 and 23 November 2004, Tianjin Asian Way has entered into an agreement and a supplemental agreement respectively with The People's Government of Tianjin City Baodi District (天津市寶坻區人民政府) in relation to the establishment and operation of the Water Supply Plant. According to those agreements, Tianjin Asian Way will mainly be responsible for the design and construction of the Water Supply Plant, laying down of the water transport ducts and the water catchments and water purification facilities in the Water Supply Plant, whereas The People's Government of Tianjin Baodi District (天津市寶坻區人民政府) will mainly be responsible for obtaining the land use right on the land where the Water Supply Plant is to be constructed.

The Water Supply Plant will be situated in Niu Jia Pai Xiang, Baodi district, Tianjin City (天津市寶坻區牛家牌鄉) with a gross area of approximately 74,537.5 meter square. The construction fee for the first phase construction of the Water Supply Plant is estimated to be RMB80 million (equivalent to HK\$76.80 million), which is to be incurred in connection with, including without limitation, demolition, land leveling, provision of water and electricity and telecom, influent water pipe for a daily passage of 150,000 tonnes (進水基建工程管道規模為每天 15 萬噸), an influent water pipe within the Plant for a daily passage of 100,000 tonnes (水廠廠內進水基建工程管道為每天 10 萬噸), a water filtering-and-purifying processor (濾水淨化處理生產機), the entire equipment to successfully provide a daily water supply of 50,000 tonnes, a complex of offices and workers' apartments (辦公大樓連工人宿舍), a warehouse and a 15-km pipe of 500mm in diameter extending to the edge marked in red of Jing-Jin-Jiu Industrial Zone. If the first phase construction fee incurs more than RMB80 million (equivalent to HK\$76.80 million), the excess sum shall be solely borne by the Vendor. The construction, including land leveling and demolition, of Water Supply Plant was started in early November 2005 and is expected to be completed within 18 months.

The operating period of the Water Supply Plant is for 50 years and Tianjin Asian Way is having sole responsibility in the daily operations and management of the Water Supply Plant during its operating period. The Water Supply Plant will be entitled to supply water to areas which include Zhou Liang Zhuang (周良莊), Da Bai Zhuang (大白莊) and Niu Jia Pai Xiang(牛家牌鄉) in Tianjin City.

The audited financial statements of Asian Way have been prepared in accordance with accounting principles generally accepted in Hong Kong. As set out in the audited financial statements of Asian Way for the period from 9 February 2001 (being the date of incorporation of Asian Way) to 30 June 2005, Asian Way recorded an audited loss of HK\$19,976.00 (there was no tax during the period), and its audited net liabilities as at 30 June 2005 amounted to HK\$9,976.00. No consolidated financial information of Asian Way Group has been prepared as the directors of Asian Way are of the opinion that the accounting year end dates of Asian Way and Tianjin Asian Way are on 30 June and 31 December respectively and the preparation of such financial statements would involve expense and delay out of proportion to the value to members of the Company.

According to the latest audited financial statements, the major asset and liability of Asian Way as at 30 June 2005 are the investment in Tianjin Asian Way of approximately HK\$15.6 million and shareholders loan of approximately HK\$15.8 million respectively. According to the PRC audited financial statements of Tianjin Asian Way prepared in accordance with accounting principles generally accepted in the PRC, the major asset of Tianjin Asian Way as at 31 December 2004 was cash at bank of approximately RMB2.3 million and no significant liabilities was incurred as at the same date. According to the unaudited management accounts of Tianjin Asian Way as at 30 June 2005, the net assets of Tianjin Asian Way amounted to approximately RMB16.5 million (equivalent to HK\$15.8 million) mainly consist of prepayment for construction of the Water Supply Plant of approximately RMB8.8 million (equivalent to HK\$8.4 million) and cash at bank of approximately RMB5.8 million (equivalent to HK\$5.6 million) and no significant liabilities was incurred as at the same date. Given that Asian Way has no other investment except for Tianjin Asian Way, which directly owns the Water Supply Plant and the Water Supply Plant is not commenced its operation, if the consolidated account is prepared for Asian Way Group, and after all consolidation adjustments, including the elimination of investment in Tianjin Asian Way with Tianjin Asian Way's registered capital, the Directors are of the opinion that the consolidated financial position of Asian Way Group are close to the audited net liabilities and net loss of Asian Way stated above, assuming no audit adjustments has been proposed.

As at 31 December 2004, Tianjin Asian Way has a material capital commitment for the acquisition of leasehold interest of a land in Tianjin of approximately RMB7.5 million. The Group is not required to provide additional finance for such capital commitment.

An accountants' report contained the financial information of Asian Way Group, amongst other things, will be provided in the circular, which will be dispatched to the shareholders of the Company as soon as practicable.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Asian Way and its ultimate beneficial owners (including the Vendor) are third parties independent of the Company and its connected persons and are not connected persons of the Company (as defined under the GEM Listing Rules).

REASONS FOR ENTERING INTO THE AGREEMENTS

The Group is principally engaged in the marketing, sale, servicing, research and development of environmental protection and health related products and services.

It was set out in the Company's annual report for the year ended 31 October 2004 that the Group would continue to develop and introduce various environmental protection related products and to promote the sense of healthy living to the general public. The Directors consider that the Group's indirect investment in the Water Supply Plant, which will supply water after carrying various processes including purification upon completion of its construction, through Asian Way will provide an opportunity for the Group to further promote and develop its business presence in the PRC and to enrich the product/service portfolio of the Group.

Despite that immediately after the Completion I, the Company will only indirectly own 14% interest in Asian Way, Asian Way will become a non-wholly owned subsidiary of the Company as a result of the nomination of 3 directors to the board of Asian Way, which shall then comprise 5 directors. Since the Company will be able to control the composition of the board of directors and control more than half of the voting power of the board of directors of Asian Way, Asian Way will be deemed to be the subsidiary of the Company and the assets and results of Asian Way Group will be consolidated to the assets and results of the Group.

Asian Way will cease to be a non-wholly owned subsidiary of the Company once all the outstanding indebtedness relating to the Secured Loan is fully repaid by Asian Way and one of the directors nominated by Well Spread resigns thereafter pursuant to the Agreements. Since then, Asian Way will become an associated company of the Company.

The Directors, including independent non-executive Directors, considered that the terms of the Agreements are fair and reasonable and in the best interests of the Group so far as the interests of the shareholders of the Company are concerned.

GENERAL

The Acquisition and the granting of the Secured Loan contemplated in the Agreements constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules. An EGM will be held to approve the Agreements and the transactions contemplated thereunder. To the best knowledge of the Directors, no connected persons of the Company has any interests in the transaction, and none of Asian Way, Tianjin Asian Way and its ultimate beneficial owners, including the Vendor, and their respective associates has any interests in the Company, no shareholders of the Company is required to abstain from voting in the EGM and the voting in respect of the approval of the major transaction will be conducted by way of poll. A circular containing, amongst other things, further information about the Acquisition, the Secured Loan as well as information on the Group will be dispatched to the shareholders of the Company as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Company's shares on the Stock Exchange was suspended from 2:30 p.m. on 16 November 2005 pending the issue of this Announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Company's shares on the Stock Exchange with effect from 9:30 a.m. on 21 November 2005.

DEFINITIONS

“Acquisition”	the conditional acquisition of 4,250 Asian Way Shares, representing 42.5% shareholding interest in Asian Way, by Well Spread pursuant to the Sale and Purchase Agreement
“Agreements”	the Sale and Purchase Agreement; the Loan Agreement; and the Share Charge
“Asian Way”	Asian Way International Limited, a company incorporated under the laws of Hong Kong with limited liability on 9 February 2001
“Asian Way Group”	Asian Way and Tianjin Asian Way
“Asian Way Shares”	10,000 ordinary shares of HK\$1.00 each in issue and fully paid in the share capital of Asian Way
“Banking Day”	means a day on which licensed banks in Hong Kong are open for business (excluding a Saturday and a Sunday)
“Board”	the board of Directors
“Business Day”	means a day (excluding Saturday) on which banks are open for business in Hong Kong
“Company”	Eco-Tek Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Completion”	means any of the Completion I, Completion II or Completion III, as the case may be
“Completion I”	means completion of sale and purchase of the Sale Shares I pursuant to the terms of the Sale and Purchase Agreement
“Completion II”	means completion of sale and purchase of the Sale Shares II pursuant to the terms of the Sale and Purchase Agreement
“Completion III”	means completion of sale and purchase of the Sale Shares III pursuant to the terms of the Sale and Purchase Agreement
“Completion Date(s)”	means any of the Completion Date I, Completion Date II or Completion Date III, as the case may be

“Completion Date I”	means as soon as practicable after the signing of the Sale and Purchase Agreement and at or before 5:00 p.m. on the same Business Day upon the fulfillment and/or waiver (as the case may be) of the conditions set out in the Sale and Purchase Agreement in respect of the sale and purchase of the Sale Shares I, but in any event not later than 31 December 2005 or such later day as the parties thereto may mutually agree
“Completion Date II”	means at or before 5:00 p.m. on the same Business Day upon the fulfillment and/or waiver (as the case may be) of the conditions set out in the Sale and Purchase Agreement in respect of the sale and purchase of the Sale Shares II, but in any event not later than 30 days from the date of the Company successfully obtained the necessary approvals given by the Stock Exchange, if required, and the general meeting of the Company or such later day as the parties thereto may mutually agree
“Completion Date III”	means at or before 5:00 p.m. on the same Business Day upon the fulfillment and/or waiver (as the case may be) of the conditions set out in the Sale and Purchase Agreement in respect of the sale and purchase of the Sale Shares III but in any event not later than 60 days from the date of the Company successfully obtained the necessary approvals given by the Stock Exchange, if required, and the general meeting of the Company or such later day as the parties thereto may mutually agree
“Directors”	directors of the Company
“Drawdown Notice(s)”	the drawdown notice(s) in respect of the Secured Loan to be issued by Asian Way to Well Spread in relation to the drawdown(s) of the Secured Loan pursuant to the Loan Agreement
“GEM Listing Rules”	the rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of the Special Administrative Region of Hong Kong
“Loan Agreement”	the loan agreement dated 16 November 2005 entered into between, inter alia, Well Spread as the lender and Asian Way as the borrower in relation to the Secured Loan
“MOU”	the memorandum of understanding entered into the Vendor, Well Spread and Asian Way on 16 November 2005 in respect of (i) the Acquisition; (ii) the Secured Loan; (iii) the management of Asian Way; and (iv) the construction and the operation of the Water Supply Plant

“Net Profit”	the audited annual profit of Tianjin Asian Way prepared by the auditors of Tianjin Asian Way in the PRC less the repayment of a loan in the amount of RMB7 million (equivalent to HK\$6.72 million) to be borrowed by the Water Supply Plant from bank(s) or any third party(ies) for the purpose of part financing of its construction and/or operation and other loan as may be taken out by Asian Way and/or Tianjin Asian Way under the Loan Agreement and/or the Sale and Purchase Agreement and payment of the relevant interest, full repayment and payment of which shall be made in accordance with the loan agreement in respect of the RMB7 million loan and such other loan;
“PRC”	the People’s Republic of China
“Repayment Date”	the date falling the 30 th day after the relevant financial year’s audited accounts of Tianjin Asian Way is issued or such earlier date as approved by the respective boards of directors of Asian Way and Tianjin Asian Way, and Tianjin Asian Way has Net Profit for such financial year
“RMB”	the lawful currency of the PRC
“Sale Shares”	4,250 fully paid Asian Way Shares, comprising Sale Shares I, Sale Shares II and Sale Shares III and representing 42.5% of the entire issued share capital of Asian Way, and are beneficially owned by and registered in the name of the Vendor
“Sale Shares I”	1,400 fully paid Asian Way Shares, representing 14% of the entire issued share capital of Asian Way, which are beneficially owned by and registered in the name of the Vendor
“Sale Shares II”	1,400 fully paid Asian Way Shares, representing 14% of the entire issued share capital of Asian Way, which are beneficially owned by and registered in the name of the Vendor
“Sale Shares III”	1,450 fully paid Asian Way Shares, representing 14.5% of the entire issued share capital of Asian Way, which are beneficially owned by and registered in the name of the Vendor
“Secured Loan”	the loan conditionally agreed to be granted by Well Spread to Asian Way under a facility up to an aggregate amount not exceeding RMB60 million (equivalent to HK\$57.60 million) and to be secured by the Share Charge

“Share Charge”	the share charge dated 16 November 2005 entered into between, inter alia, Well Spread as the lender and the Vendor as the chargor in relation to the charge of 3,750 Asian Way Share (representing 37.5% of the issued share capital of Asian Way) legally and beneficially held by the Vendor in favour of Well Spread for the purpose of securing the Secured Loan
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Sale Shares dated 16 November 2005 entered into between Well Spread as purchaser and the Vendor as the vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Asian Way”	天津華永房地產開發有限公司 (Tianjin Asian Way Estate Development Co., Ltd.), a wholly-owned subsidiary of Asian Way which was established as a wholly foreign owned company under the laws of the PRC on 7 August 2002
"US\$"	denotes the lawful currency of the United States of America.
“Vendor”	Mr. Tang Hin Lun, the legal and beneficial owner of 8,000 Asian Way Shares (representing 80% shareholding interest in Asian Way) as at the date of this announcement
“Water Supply Plant”	天津華永房地產開發有限公司東山自來水廠, the water supply plant to be constructed in 天津市寶坻區牛家牌鄉 (Niu Jia Pai Xiang, Baodi district, Tianjin City) by Tianjin Asian Way
“Well Spread”	Well Spread Investment Limited, a wholly-owned subsidiary of the Company incorporated under the laws of Hong Kong with limited liability on 15 March 2005

DIRECTORS OF THE COMPANY

As at the date of this announcement, the directors are as follows:

Executive directors:

Dr. Pau Kwok Ping

Mr. Shah Tahir Hussain

Mr. Han Ka Lun

Non-executive directors:

Dr. Lui Sun Wing

Mr. Young Meng Cheung Andrew

Independent non-executive directors:

Ms. Chan Siu Ping Rosa
Mr. Takeuchi Yutaka
Professor Ni Jun
Ms. Hui Wai Man Shirley

By Order of the Board
Eco-Tek Holdings Limited
Pau Kwok Ping
Chairman

Hong Kong, 18 November 2005

** For identification purpose only.*

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of publication.