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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Eco-Tek Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

This circular, for which the directors (“**Directors**”) of Eco-Tek Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (i) the information contained in this document 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 document misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



ECO-TEK HOLDINGS LIMITED

環康集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES

The notice convening the annual general meeting of the Company for the year ended 31 October 2003 to be held at R1109, 11/F, Shirley Chan Building, The Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong, on Wednesday, 18 February 2004, at 10:30 a.m. is set out on pages 69 to 72 in the 2003 Annual Report.

A form of proxy for the annual general meeting is enclosed with the 2003 Annual Report. Whether or not you propose to attend the annual general meeting, you are requested to complete the form of proxy and return the same to the Company’s Share Registrar in Hong Kong, Tengis Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the annual general meeting. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the annual general meeting or any adjournment thereof if you so wish.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the date of its posting.

* For purpose of identification only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:

“2003 Annual Report”	the Audited Financial Statements and the respective Reports of the Directors and Auditors of the Company for the year ended 31 October 2003
“AGM”	the annual general meeting of the Company to be held at R1109, 11/F., Shirley Chan Building, The Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong, on Wednesday, 18 February 2004 at 10:30 a.m. at which the 2003 Annual Report will be adopted
“Board”	the board of Directors
“Commission”	Securities and Futures Commission
“Company”	Eco-Tek Holdings Limited
“Directors”	directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	the general mandate to allot, issue and deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate plus the number of Shares purchased under the Repurchase Mandate, if granted
“Latest Practicable Date”	15 January 2004, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

DEFINITIONS

“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate
“Shareholders”	holders of Shares
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE CHAIRMAN



ECO-TEK HOLDINGS LIMITED

環康集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Dr. CHIANG Lily (*Chairman*)
Dr. PAU Kwok Ping (*Managing Director*)
Mr. SHAH Tahir Hussain

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

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

*Head Office and Principal Place
of Business:*

Unit 5, 11/F
Westlands Centre
20 Westlands Road
Quarry Bay
Hong Kong

20 January 2004

To Shareholders of the Company

Dear Sir/Madam,

PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES

INTRODUCTION

At an annual general meeting of the Company held on 21 February 2003, the Shareholders passed ordinary resolutions to give general unconditional mandates to the Directors to issue and allot additional Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the GEM Listing Rules. No Shares have been issued or repurchased pursuant to these mandates up to the Latest Practicable Date. These general mandates will

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LETTER FROM THE CHAIRMAN

lapse at the conclusion of the AGM. It is therefore proposed to renew the general mandates to issue and allot additional Shares and to repurchase Shares at the AGM.

The purpose of this circular is to provide you with information regarding the proposed renewal of the general mandates to issue and allot Shares and to repurchase Shares, details of which are provided herewith as follows, and to seek your approval of the ordinary resolutions relating to these matters at the AGM.

ISSUE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Issue Mandate which will enable the Directors to allot, issue and otherwise deal with additional Shares up to the limit of 20% of the aggregate nominal value of the issued share capital of the Company on the date of passing such resolution. In addition, an ordinary resolution will also be proposed to authorize an extension of the Issue Mandate by adding to the aggregate number of additional Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate the number of Shares repurchased under the Repurchase Mandate, if granted.

Details of the aforesaid ordinary resolutions are set out in ordinary resolutions number 5 and 7 in the notice of AGM.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate which will enable the Directors to repurchase Shares on the GEM or on any other exchange on which the Shares have been or may be listed and recognised for this purpose by the Commission and the Stock Exchange up to a limit of 10% of the aggregate nominal value of the issued share capital of the Company on the date of passing such resolution.

Pursuant to the GEM Listing Rules, an explanatory statement containing all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate is set out in the appendix hereto.

Details of the aforesaid ordinary resolution are set out in ordinary resolution number 6 in the notice of AGM.

LETTER FROM THE CHAIRMAN

ANNUAL GENERAL MEETING

The notice convening the AGM for the year ended 31 October 2003 to be held at R1109, 11/F., Shirley Chan Building, The Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong, on Wednesday, 18 February 2004, at 10:30 a.m. is set out on pages 69 to 72 in the 2003 Annual Report.

A form of proxy for the AGM is enclosed with the 2003 Annual Report. Whether or not you propose to attend the AGM, you are requested to complete the form of proxy and return the same to the Company's Share Registrar in Hong Kong, Tengis Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the AGM. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the AGM or any adjournment thereof if you so wish.

RECOMMENDATION

Shareholders should draw their attention to the information as set out in the appendix to this circular. The Board is of the opinion that all the proposed resolutions referred to in this circular are in the best interests of the Company and its Shareholders as a whole and, accordingly, recommend you to vote in favour of all the related resolutions set out in the notice of AGM.

Yours faithfully,
On behalf of the Board
Dr. CHIANG Lily
Chairman

INFORMATION ON GEM LISTING RULES RELATING TO SHARE REPURCHASES

This is an explanatory statement containing all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate to be proposed in the AGM. The following is a summary of the principal provisions of the GEM Listing Rules relating to the repurchase of its shares on the GEM by a company (“Issuer”) the shares of which are listed on the GEM.

(a) Shareholder’s approval

The GEM Listing Rules provide that all share repurchases on the GEM by an Issuer must be approved in advance by an ordinary resolution, either by way of general mandate or by specific resolution in relation to specific transactions. The shares to be repurchased must be fully paid. The GEM Listing Rules require an explanatory statement to be sent to the shareholders of the Issuer to give its shareholders adequate information to enable them to decide whether to approve the mandate.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Issuer’s constitutive documents, the GEM Listing Rules and the applicable laws of the jurisdiction in which the Issuer is incorporated or otherwise established.

(c) Connected parties

The GEM Listing Rules prohibit the Issuer from knowingly purchasing its shares on the GEM from a “connected person”, that is, a director, substantial shareholder, management shareholders or their respective associates (as defined in the GEM Listing Rules) and a connected person must not knowingly sell his shares to the Issuer on the GEM.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 552,800,000 Shares.

Subject to the passing of the ordinary resolution number 6 set out in the notice of AGM in which a general mandate is proposed to be given to the Directors to repurchase shares not exceeding 10% of the aggregate nominal value of the issued share capital of the Company on the date of passing such resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 55,280,000 Shares during the period ending on the earliest of the

date of the Company's next annual general meeting for the year ended 31 October 2004, the date by which the next annual general meeting of the Company is required to be held by the Company's Articles of Association or applicable law of the Cayman Islands or the date upon which such authority is revoked or varied by an ordinary resolution to be passed by Shareholders in general meeting.

Notwithstanding the above, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%, the minimum prescribed percentage for the Shares to be held by the public after listing of Shares on the GEM.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to seek a general authority from Shareholders to enable the Directors to repurchase Shares in the market at any appropriate time. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

FUNDING OF REPURCHASE

Repurchases made under the Repurchase Mandate must be funded entirely from funds legally available for such purposes in accordance with the provisions of the Memorandum and Articles of Association of the Company, the relevant laws of the Cayman Islands and the GEM Listing Rules. The Directors propose to finance any repurchases under the Repurchase Mandate by the Company's internal resources. In addition, the Company may not repurchase its own Shares on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange as may from time to time be amended.

Should the Repurchase Mandate be exercised in full at any time during the proposed repurchase period mentioned in the above paragraph headed "Share capital", there might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2003 Annual Report). However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or on the gearing levels of the Company.

SHARE PRICES

The highest and lowest market prices at which the Shares have traded on the GEM during each of the previous twelve months before the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2003		
January	0.340	0.305
February	0.330	0.290
March	0.320	0.245
April	0.245	0.245
May	0.300	0.245
June	0.300	0.300
July	0.300	0.275
August	0.290	0.260
September	0.260	0.235
October	0.245	0.240
November	0.240	0.230
December	0.230	0.230
2004		
January (up to the Latest Practicable Date)	0.300	0.230

REPURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the GEM or otherwise) during the six months preceding the Latest Practicable Date.

GENERAL INFORMATION

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the power of the Company to repurchase shares in accordance with the provisions of the Memorandum and Articles of Association of the Company, the GEM Listing Rules and the applicable laws of the Cayman Islands.

If as a result of a share repurchase a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder or a group of shareholders acting in concert (within the meaning of the Takeovers Code) depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become

obliged to make a mandatory offer in accordance with the rules 26 and 32 of the Takeovers Code as a result of such increase.

As at the Latest Practicable Date, Team Drive Limited (“Team Drive”) and Advance New Technology Limited (“Advance New”) which are the substantial Shareholders, held approximately 54.15% and 15.45% of the issued Shares respectively. The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchase made under the Repurchase Mandate. Notwithstanding the above, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%, the minimum prescribed percentage for the Shares to be held by the public after listing of Shares on the GEM.

None of the Directors nor, to the best of their knowledge, after making all reasonable enquires, any of their associates (as defined in the GEM Listing Rules) has notified the Company of any present intention, if the Repurchase Mandate is approved by Shareholders, to sell shares to the Company.

No connected person (as defined in the GEM Listing Rules) has notified the Company that it has a present intention to sell Shares, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders.