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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)

AWARD OF GOVERNMENT CONTRACTS

The Board is pleased to announce that Eco-Tek, a wholly-owned subsidiary of the Company, concluded on 12 April 2005, the Contracts with the EPD of the Government in relation to the supply and installation of particulate removal devices to reduce particulates from the exhaust of the Eligible Vehicles and all related services necessary for proper installation of such particulate removal devices.

Pursuant to the terms of the Contracts, Eco-Tek has procured the Bank to provide the Bonds with an aggregate amount of approximately HK\$2.8 million to the Government for the purpose of securing the performance of the Contracts by Eco-Tek. In consideration of the provision of the Bonds by the Bank, Eco-Tek has granted the Charge on a bank deposit in an amount of approximately HK\$2.8 million in favour of the Bank.

This announcement is made under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price sensitive nature.

AWARD OF GOVERNMENT CONTRACTS

The Contracts

The board of directors (the "Board") of Eco-Tek Holdings Limited (the "Company") is pleased to announce that Eco-Tek Company Limited ("Eco-Tek"), a wholly-owned subsidiary of the Company, concluded on 12 April 2005 three exclusive contracts (the "Contracts") with Environmental Protection Department (the "EPD") of the Government of Hong Kong Special Administrative Region (the "Government").

Pursuant to the Contracts, Eco-Tek will (i) supply and install particulate removal devices to reduce particulates from the exhaust of pre-Euro emission standard diesel vehicles (in Hong Kong being those registered on or before 31 March 1995) each of permitted gross vehicle weight over four tones that needs to undertake long idling duties and using diesel of sulphur content not more than 0.005% (by weight), and which are registered and licensed under the Road Traffic Ordinance (Chapter 374 of the laws of Hong Kong) but exclude vehicles which fall within the definition of special purpose vehicles in the Road Traffic Ordinance (Chapter 374 of the laws of Hong Kong) the “Eligible Vehicles”), and (ii) provide all related services necessary for proper installation of such particulate removal devices. Upon completion of the supply and installation of the particulate removal devices to an Eligible Vehicle, the relevant fee will be paid, by four-installments, by the Government to Eco-Tek (50% of the fee will be paid upon satisfactory completion of the supply and installation of the particulate removal device onto the Eligible Vehicle, 20% of the fee will be paid upon clearance of the installation performance report while another 10% will be paid 12 months thereafter if there is no complaint in relation to the said installation, and the remaining 20% of the fee will be paid at the end of expiry of 60-month warranty period of the installation).

The Contracts are for an initial term of ten calendar months, commencing on the date of the Contracts, and the Government shall have the right to extend the initial term for further terms of not more than six calendar months in total by giving not less than one-month prior notice to Eco-Tek before the expiry of the initial term or extended term. As the participation of registered owners of the Eligible Vehicles to install particulate removal devices onto their vehicles is on a voluntary basis the Contracts do not contain any warranty in relation to any commitment to the minimum number of Eligible Vehicles to be installed with the particulate removal vehicles by Eco-Tek.

Reasons for the Contracts

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

The EPD provides support to the Environment, Transport and Works Bureau of the Government, which has overall responsibility for environmental policy in Hong Kong. In addition, the EPD is the main Government body tackling pollution in Hong Kong.

In January 2005, the EPD invited tenderers by issuing a tender document in relation to its intention to assist the registered owners of the Eligible Vehicles to retrofit their vehicles with particulate removal devices to reduce their particulate emissions. In response to the invitation, Eco-Tek submitted the relevant tenders to the EPD and has been granted the tenders and the underlying Contracts.

The directors of the Company (the “Directors”) consider that there will be positive impact on the financial results of the Group during the term of the Contracts since they expect that the turnover and profit will increase as a result of charging fees by Eco-Tek for its supply and installation of the Group’s particulate removal devices to the Eligible Vehicles under the Contracts. The Directors are of the opinion that the terms of the Contracts are in normal commercial terms and the Contracts are in the interests of the Company’s shareholders as a whole.

Provision of the Bonds to the Government under the Contracts

Pursuant to the terms of the Contracts, Eco-Tek has procured a bank (the “Bank”) to provide three performance bonds (the “Bonds”) with an aggregate amount of approximately HK\$2.8 million to the Government for the purpose of securing the performance of the Contracts by Eco-Tek. Upon demand in writing by the representative of the Government (the “Government Representative”) to the Bank from time to time or at any time during the validity of the Bonds without proof or contestation or further conditions on the Government Representative, the Bank shall without delay pay to the Government Representative the sum(s) mentioned in the said demand. The Bonds shall remain in force until Eco-Tek has fulfilled its obligations under the Contracts in full or until the Bonds shall have been paid in full, whichever shall first occur. In consideration of the provision of the Bonds by the Bank, Eco-Tek has granted a fix charge (the “Charge”) on a bank deposit of approximately HK\$2.8 million in favour of the Bank.

This announcement is made under the general obligation imposed by Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM Listing Rules”) of the Stock Exchange of Hong Kong Limited, which is or may be of a price sensitive nature.

As at the date of this announcement, the directors of the Company 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, 12 April 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.