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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)

VOLUNTARY ANNOUNCEMENT
ENFORCEMENT OF SHARE CHARGE

The board of directors of Eco-Tek Holdings Limited announces that the share charge dated 16 November 2005 executed by Mr. Tang Hin Lun in favour of Well Spread Investment Limited, a wholly-owned subsidiary of Eco-Tek Holdings Limited, in relation to the charge of the former's 3,750 shares in Asian Way International Limited, has been enforced on 14 December 2009 as a result of continuing default in payment of loan interest and default interest by Asian Way International Limited under a loan agreement dated 16 November 2005 in respect of which Mr. Tang Hin Lun acted as a warrantor thereunder. After the said enforcement of the share charge, Well Spread Investment Limited has thenceforth become the legal and beneficial owner of a total of 8,000 shares in Asian Way International Limited, representing 80% of its entire issued share capital.

Reference is made to the announcement and circular dated 18 November 2005 and 16 December 2005, respectively, issued by Eco-Tek Holdings Limited ("**Company**") in respect of a major transaction relating to, amongst others, the granting of a secured loan to Asian Way International Limited ("**Asian Way**") by Well Spread Investment Limited, a non-wholly owned subsidiary of the Company ("**Well Spread**").

INTRODUCTION

Pursuant to the loan agreement dated 16 November 2005 ("**Loan Agreement**") entered into between Asian Way as borrower, Well Spread as lender and Mr. Tang Hin Lun ("**Tang**") as warrantor, Well Spread was to make available to Asian Way a loan up to an aggregate amount not exceeding RMB60 million ("**Secured Loan**") for the purpose of facilitating the construction a water supply plant at the eastern side of Baobai Highway, Niu Jia Pai Xiang, Baodi District, Tianjin City, China ("**Water Supply Plant**") by 天津華永房地產開發有限公司 (Tianjin Asian Way Estate Development Co., Ltd.),

* *for identification purpose only*

a wholly-owned subsidiary of Asian Way in the PRC (“**Tianjin Asian Way**”). The subject loan was secured by Tang’s pledge of his 3,750 shares in Asian Way (“**Asian Way Shares**”), representing 37.5% of the entire issued share capital thereof, under a share charge deed dated 16 November 2005 executed by Tang in favour of Well Spread (“**Share Charge**”).

The granting of the Secured Loan and the execution of the Share Charge were both approved by the shareholders of the Company by way of ordinary resolutions passed at the extraordinary general meeting held on 30 December 2005 (“**EGM**”), which poll result was published in the result of EGM issued by the Company on even date.

SECURED LOAN

Under the Loan Agreement, the advance of the Secured Loan by Well Spread was conditional on, amongst others, Tang’s execution of the Share Charge. Since all the conditions of the advance of the Secured Loan had been satisfied, Well Spread had advanced the Secured Loan to Asian Way by installments as follows:

- (a) the first advance of RMB10 million was made on 22 November 2005;
- (b) the second advance of RMB10 million was made on 27 January 2006;
- (c) the third advance of RMB10 million was made on 27 February 2006; and
- (d) three subsequent advances of RMB10 million each were made on 29 May 2006, 18 July 2006 and 22 August 2006.

According to the terms of the Loan Agreement, the Secured Loan had to be repaid out of the net profit of Tianjin Asian Way, and in any event it should be fully repaid by 22 November 2010. Besides repayment of the Secured Loan, Asian Way was also obliged to pay interest semi-annually on 30 June and 31 December each year at the prevailing prime rate adopted by the Hongkong and Shanghai Banking Corporation Limited plus 5.5% per annum on the outstanding amount of the Secured Loan outstanding for the time being, with the first interest payment falling due on 30 June 2006.

As Tianjin Asian Way has not been making any profit, no amount of the Secured Loan had been repaid. In respect of the payment of interest and the consequential default interest arising from non-payment of the former, Asian Way had failed to meet the payment obligation related thereto since 31 December 2006 notwithstanding that numerous demand letters had been issued to Tang and/or his legal advisers, including but not limited to those dated 10 April 2007, 6 June 2007, 4 July 2007, 10 September 2007, 21 September 2007, 10 July 2008, 14 January 2009, 30 March 2009, 24 July 2009 and 27 November 2009. As of 9 December 2009, the total amount of outstanding interest together with default interest had accumulated to an aggregate sum of HK\$28,469,097.00 (collectively “**Interest**”).

In view of the continuing default, Well Spread had served an acceleration notice on Asian Way and Tang on 9 December 2009 declaring that the Secured Loan as well as other outstanding sums were due and repayable/payable by 5 p.m. Hong Kong time on 11 December 2009. As Asian Way was unable to meet the demands for payment and repayment of the Interest and the Secured Loan respectively by the stipulated deadline, Well Spread had decided to enforce the Share Charge in satisfaction of part of the outstanding sum and further pursue repayment/payment of the remaining unsatisfied balance from Asian Way and/or Tang in accordance with the Loan Agreement.

VALUATION OF ASIAN WAY SHARES

Prior to the enforcement of the Share Charge, the Company had, on behalf of Well Spread, engaged Asset Appraisal Limited (“**Valuer**”) as valuer to determine the shareholder equity of the Asian Way Shares at as 31 October 2009.

In the course of the appraisal, the Valuer adopted the income approach. According to the Valuer’s assessment result, the Asian Way Shares are worth HK\$7,932,033.00, which falls short of discharging the Secured Loan and the Interest in full. Despite the foreseeable shortfall, Well Spread proceeded ahead with the enforcement of the Share Charge and reserved right to recover the difference from Tang and Asian Way through other means as it deems appropriate. The board of directors of the Company (“**Board**”) believes that this action is in the best interest of the shareholders and the Company as a whole.

ENFORCEMENT OF SHARE CHARGE

Based on the appraisal of the Valuer, Well Spread has enforced the Share Charge on 14 December 2009. Together with its existing 4,250 shares in Asian Way, Well Spread has thereby gained control 80% of the shareholding in Asian Way and become the legal and beneficial owner of 8,000 shares in Asian Way upon enforcement of the Share Charge. Simultaneously with such enforcement, Well Spread has accepted the resignation of Tang as director of Asian Way with immediate effect.

The Board announces that despite the above-mentioned changes in the shareholding in and composition of the board of Asian Way, Asian Way remains a non-wholly owned subsidiary of the Company. As Asian Way has all along been and will continue to be a non-wholly owned subsidiary of the Company, the Board believes that the enforcement of the Share Charge will not cause any material adverse impact on the existing financial position of the Company and other companies within the group. As the enforcement of the Share Charge is considered a natural progression of event flowing from the execution of the Share Charge approved in the EGM, shareholders’ further deliberation on the enforcement thereof is therefore not necessary under the Rules Governing The Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

As at the date of this announcement, the Board comprises of the following directors:

Executive directors:

Mr. NG Chi Fai

Mr. HAN Ka Lun

Mr. KWOK Tsun Kee

Non-executive directors:

Ms. HUI Wai Man Shirley

Dr. LUI Sun Wing

Mr. YOUNG Meng Cheung Andrew

Independent non-executive directors:

Ms. CHAN Siu Ping Rosa

Mr. TAKEUCHI Yutaka

Professor NI Jun

Mr. CHAU Kam Wing Donald

By order of the Board
Eco-Tek Holdings Limited
Ms. Hui Wai Man Shirley
Chairlady

Hong Kong, 14 December 2009

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 Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

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