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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

This announcement is made by Eco-Tek Holdings Limited (“**Company**”) on a voluntary basis to inform its shareholders of its latest development subsequent to the extraordinary general meeting of the shareholders held on 30th December 2005 and the passing of the ordinary resolutions therein.

The board of directors announces that on 9th February 2012, the non wholly-owned subsidiary of the Company, Asian Way International Limited, executed a deed with its former shareholder and director, Tang Hin Lun, and Well Spread Investment Limited, wholly-owned subsidiary of the Company. Under the said deed, Asian Way International Limited agreed that, with the consent of Well Spread Investment Limited and notwithstanding the loan agreement signed between the parties on 16th November 2005, repayment of part of the shareholder’s loans advanced by the said Tang Hin Lun to Asian Way International Limited would be accelerated.

This announcement is made by the Company on a voluntary basis to inform its shareholders of its latest development subsequent to the extraordinary general meeting of the shareholders held on 30th December 2005 and the passing of the ordinary resolutions therein.

Reference is made to the announcement and circular of the Company dated 18th November 2005 and 16th December 2005 respectively, in respect of a major transaction in relation to the acquisition of shares in Asian Way International Limited (“**Asian Way**”) and a secured loan made to the same by the Company’s wholly-owned subsidiary, Well Spread Investment Limited (“**Well Spread**”).

INTRODUCTION

On 16th November 2005, Well Spread, Asian Way, and the latter’s then shareholder and director, Tang Hin Lun (“**Tang**”) entered into a tripartite loan agreement (“**Loan Agreement**”), whereby Well Spread agreed to grant a loan in the sum of RMB60,000,000.00 (“**Loan I**”) to Asian Way to facilitate

the construction of a water supply plant (“**Water Supply Plant**”) by its wholly-owned subsidiary in China, 天津華永房地產開發有限公司 (Tianjin Asian Way Estate Development Co., Ltd.). As security for repayment of Loan I, Tang pledged his 3,750 shares in Asian Way, representing 37.5% of the issued capital thereof, in favour of Well Spread (“**Share Pledge**”).

Subsequently, as Asian Way was unable to repay Loan I after repeated demands, Well Spread enforced the Share Pledge on 14th December 2009 in partial satisfaction of the sum outstanding under Loan I, and Tang has ceased to be a shareholder and director of Asian Way since then. Details of the said enforcement of Share Pledge were given in the Company’s voluntary announcement issued on 14th December 2009.

SHAREHOLDER’S LOANS

It was further agreed under the Loan Agreement that Asian Way would not, without the prior written approval of Well Spread, repay any pre-existing loans to its shareholders, including without limitation, the loan advanced by Tang which amount was HK\$9,753,020.00 at the time of execution of the Loan Agreement (“**Loan II**”). In other words, unless Well Spread agrees to waive the deferred repayment term applicable to Loan II, Tang would not be entitled to repayment until the portion of Loan I not yet satisfied by way of enforcement of the Share Pledge has been fully repaid.

In addition to Loan II, Tang advanced further shareholder’s loans to Asian Way totaling HK\$5,026,310.00 (“**Loan III**”) in 2006 and 2007. As Loan III was granted subsequent to the Loan Agreement, it is therefore not subject to the deferred repayment requirement set out above.

REPAYMENT

On 19th April 2010, Tang as creditor of Asian Way, demanded Asian Way through his lawyers for accelerated repayment of both Loan II and Loan III, being an aggregate sum of HK\$14,779,330.00 (“**Total Loan**”). Notwithstanding the deferred repayment term applicable to Loan II under the Loan Agreement, Well Spread agreed to give approval for waiving such repayment condition on the basis of the following consideration:

- (a) the Water Supply Plant has been generating positive cash flow in recent years; the accelerated repayment of Loan II is unlikely to prejudice the interest/position of Well Spread in recovering Loan I nor will it be likely to cause any material negative financial impact on Well Spread, vis-à-vis the Company; and
- (b) for the avoidance of possible litigation risk relating to the Total Loan (Loan II in particular), and the potentially large amount of time, costs and resources such litigation would require.

In connection with the repayment of the Total Loan, the parties agreed to enter into a deed (“**Deed**”) on the following key terms and conditions:

- (a) Asian Way to make an upfront repayment in the sum of HK\$620,000.00 on the date of execution of the Deed;

- (b) Asian Way to repay the balance of the Total Loan being an aggregate sum of HK\$14,159,330.00 by twenty-three monthly installments payable with the first and the last installments falling due on 9th March 2012 and 9th January 2014 respectively, and the amount of each installment being HK\$620,000.00 except the last installment the amount of which being HK\$519,330.00;
- (c) in the event of default in repayment, Asian Way to pay Tang a default interest on the overdue amount at the rate of 5.5% per annum above the prevailing prime rate published by the Hongkong and Shanghai Banking Corporation; and
- (d) the repayment arrangement pursuant to the Deed to be full and final settlement of all claims and disputes (whether current and future, direct or indirect, and of whatsoever nature) Tang may have against Asian Way in relation to the Total Loan.

The Deed was executed on 9th February 2012.

The board of directors of the Company considers it in the interests of the Company to repay the Total Loan to Tang pursuant to the Deed to avoid possible risk of unnecessary litigation relating to, in particular, Loan II, and the amount of time, costs and resources pertinent thereto.

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

Hong Kong, 9th February 2012

As at the date of this announcement, the board of directors comprises Mr. NG Chi Fai and Mr. KWOK Tsun Kee as executive directors; Ms. HUI Wai Man Shirley and Dr. LUI Sun Wing as non-executive directors; Ms. CHAN Siu Ping Rosa, Mr. TAKEUCHI Yutaka, Professor NI Jun and Mr. CHAU Kam Wing Donald as independent non-executive directors.

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 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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