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This report, for which the directors (the “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 GEM of the Stock Exchange (the “GEM Listing Rules”) 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 the information contained in this report is accurate and complete in all material aspects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.

SUMMARY

- Revenue for the six months ended 30 April 2021 amounted to HK\$59,211,000 (six months ended 30 April 2020: HK\$39,550,000), representing an increase of approximately 50% as compared with corresponding period.
- Profit attributable to owners of the Company for the six months ended 30 April 2021 amounted to HK\$1,674,000 while loss attributable to owners of the Company for the six months ended 30 April 2020 amounted to HK\$9,639,000.
- Basic earnings per share for the six months ended 30 April 2021 amounted to approximately HK0.26 cent while basic loss per share for the six months ended 30 April 2020 amounted to approximately HK1.48 cents.



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UNAUDITED INTERIM RESULTS

The board of Directors (the “Board”) of Eco-Tek Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months and six months ended 30 April 2021 together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 April 2021

	Notes	Three months ended 30 April		Six months ended 30 April	
		2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue	2	29,191	20,694	59,211	39,550
Cost of Sales		(20,849)	(13,917)	(42,612)	(27,152)
Gross profit		8,342	6,777	16,599	12,398
Other income		692	1,252	940	2,191
Selling expenses		(854)	(860)	(2,389)	(2,066)
Administrative expenses		(6,244)	(6,050)	(12,125)	(11,828)
Profit from operations	4	1,936	1,119	3,025	695
Finance costs		(348)	(152)	(476)	(281)
Share of (loss)/profit of a joint venture		(155)	(131)	(27)	55
Profit before income tax		1,433	836	2,522	469
Taxation	5	(529)	(963)	(848)	(9,990)
Profit/(loss) for the period		904	(127)	1,674	(9,521)

	Notes	Three months ended 30 April		Six months ended 30 April	
		2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Other comprehensive income for the period					
— Items that may subsequently reclassified to profit and loss					
Exchange gain/(loss) on translation of financial statements of foreign operations		309	(2,646)	3,124	(2,002)
Share of other comprehensive income of a joint venture		(101)	(72)	118	(29)
		208	(2,718)	3,242	(2,031)
Total comprehensive income for the period		1,112	(2,845)	4,916	(11,552)
Profit/(loss) for the period attributable to:					
Owners of the Company		904	(127)	1,674	(9,639)
Non-controlling interests		–	–	–	118
		904	(127)	1,674	(9,521)
Total comprehensive income for the period attributable to:					
Owners of the Company		1,112	(2,845)	4,916	(11,741)
Non-controlling interests		–	–	–	189
		1,112	(2,845)	4,916	(11,552)
Earnings/(loss) per share attributable to owners of the Company for the period					
— Basic	7	HK0.14 cent	HK(0.02) cent	HK0.26 cent	HK(1.48) cents
— Diluted		N/A	N/A	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	<i>Notes</i>	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	8	70,920	69,449
Right-of-use assets	9	7,318	8,356
Interest in a joint venture		3,931	3,840
Deferred tax assets		565	409
Pledged bank deposits		9,020	9,020
		91,754	91,074
Current assets			
Inventories	10	17,413	16,520
Accounts receivable	11	22,948	23,455
Deposits, prepayments and other receivables		9,035	9,417
Cash and cash equivalents	12	49,266	55,807
		98,662	105,199
Current liabilities			
Accounts and bills payable	13	17,844	13,308
Accrued liabilities and other payables		33,262	41,968
Contract liabilities	14	4,114	2,436
Lease liabilities		2,105	2,322
Loan from a shareholder	15	4,391	–
Provision for tax		8,821	18,298
		70,537	78,332
Net current assets		28,125	26,867
Total assets less current liabilities		119,879	117,941

	<i>Notes</i>	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
Non-current liabilities			
Deferred tax liabilities		141	141
Lease liabilities		1,000	1,907
Other payables		2,037	2,408
Loan from a shareholder	<i>15</i>	9,500	11,200
		12,678	15,656
Net assets			
		107,201	102,285
EQUITY			
Equity attributable to owners of the Company			
Share capital		6,495	6,495
Share premium		19,586	19,586
Capital reserve		95	95
Other reserve		13,015	13,015
Exchange translation reserve		15,012	11,770
Capital contribution reserve		7,971	7,971
Retained profits		45,027	43,353
Total equity			
		107,201	102,285

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

	Six months ended 30 April	
	2021 HK\$'000	2020 HK\$'000
Net cash used in operating activities	(7,099)	(45,775)
Net cash (used in)/generated from investing activities	(976)	1,494
Net cash generated from/(used in) financing activities	1,935	(1,092)
Decrease in cash and cash equivalents	(6,140)	(45,373)
Effect of foreign exchange rate changes	(401)	(1,543)
Cash and cash equivalents at beginning of the period	55,807	75,413
Cash and cash equivalents at end of the period	49,266	28,497

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 April 2021

	Equity attributable to owners of the Company							Non-	Total	
	Share	Share	Capital	Other	Exchange	Capital	Retained	controlling	equity	
	capital	premium	reserve	reserve	translation	contribution	profits	interests		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 November 2019	6,495	19,586	95	4,405	10,023	7,971	51,139	99,714	5,565	105,279
Acquisition of non-controlling interests	-	-	-	5,752	-	-	-	5,752	(5,754)	(2)
Contribution from non-controlling interests	-	-	-	2,790	-	-	-	2,790	-	2,790
(Loss)/profit for the period	-	-	-	-	-	-	(9,639)	(9,639)	118	(9,521)
Other comprehensive income for the period	-	-	-	-	(2,102)	-	-	(2,102)	71	(2,031)
Total comprehensive income for the period	-	-	-	-	(2,102)	-	(9,639)	(11,741)	189	(11,552)
At 30 April 2020	6,495	19,586	95	12,947	7,921	7,971	41,500	96,515	-	96,515
At 1 November 2020	6,495	19,586	95	13,015	11,770	7,971	43,353	102,285	-	102,285
Profit for the period	-	-	-	-	-	-	1,674	1,674	-	1,674
Other comprehensive income for the period	-	-	-	-	3,242	-	-	3,242	-	3,242
Total comprehensive income for the period	-	-	-	-	3,242	-	1,674	4,916	-	4,916
At 30 April 2021	6,495	19,586	95	13,015	15,012	7,971	45,027	107,201	-	107,201

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PREPARATION

Eco-Tek Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Cayman Islands. The Company’s shares are listed on the GEM of the Stock Exchange since 5 December 2001.

The unaudited condensed consolidated financial statements for the six months ended 30 April 2021 are presented in Hong Kong dollars (“HK\$”). Other than those subsidiaries established in the People’s Republic of China (the “PRC”) whose functional currency is Renminbi (“RMB”), the functional currency of the Company and its subsidiaries are HK\$.

The unaudited condensed consolidated financial statements for the six months ended 30 April 2021 are prepared in accordance with Hong Kong Financial Reporting Standard (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and interpretations issued by the Hong Kong Institutes of Certified Public Accountants (“HKICPA”). The unaudited condensed consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated financial statement for the six months ended 30 April 2021 should be read in conjunction with audited consolidated financial statements and notes thereto for the year ended 31 October 2020 (“2020 Audited Consolidated financial statements”). The significant accounting policies that have been used in the preparation of these unaudited consolidated financial statements are consistent with those followed in the preparation of 2020 Audited Consolidated financial statements. It should be noted that accounting estimates and assumptions are used in preparation of the unaudited consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

The HKICPA has issued certain new and revised HKFRSs. For those which are effective for accounting period beginning on 1 November 2020, the adoption of the new HKFRSs had no material impact on how the results and financial positions for the current and prior periods have been prepared and presented. For those which are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of making an assessment of the potential impact of the new pronouncement.

2. REVENUE

Revenue, which is also the Group's turnover, represented during the period comprised the following:

	Three months ended 30 April		Six months ended 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Water supply plant	7,092	4,572	13,289	10,252
Environment-friendly products	22,099	16,122	45,922	29,298
	29,191	20,649	59,211	39,550

3. SEGMENT INFORMATION

The chief operating decision-maker is identified as executive directors. The executive directors have identified the Group's two services lines as reportable segments as follows:

Environment-friendly products : Sales of general and industrial environment-friendly products, components and other related accessories

Water supply plant : Supply of processed water in the PRC

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Water supply plant		Environment-friendly Products		Total	
	Six months ended 30 April		Six months ended 30 April		Six months ended 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue from external customers	13,289	10,252	45,922	29,298	59,211	39,550
Reportable segment revenue	13,289	10,252	45,922	29,298	59,211	39,550
Reportable segment profit	5,198	4,878	9,012	5,454	14,210	10,332
Interest income	319	389	–	–	319	389
Depreciation	2,046	1,814	1,250	1,150	3,296	2,964
Reversal of provision for slow-moving inventories, net	–	–	(697)	–	(697)	–
Additions to non-current segment assets during the period	970	722	6	54	976	776
Reportable segment assets	120,569	95,385	64,305	59,945	184,874	155,330
Reportable segment liabilities	43,150	19,443	24,812	25,935	67,962	45,378

The total's presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the unaudited consolidated financial statements as follows:

	Six months ended 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Reportable segment revenue	59,211	39,550
Group revenue	59,211	39,550
Reportable segment profit	14,210	10,332
Other corporate expenses	(11,185)	(9,637)
Finance costs	(476)	(281)
Share of (loss)/profit of a joint venture	(27)	55
Profit before income tax	2,522	469
	As at 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Reportable segment assets	184,874	155,330
Interest in a joint venture	3,931	3,464
Other corporate assets	1,611	1,446
Group assets	190,416	160,240
Reportable segment liabilities	67,962	45,378
Loan from a shareholder	13,891	9,500
Deferred tax liabilities	141	7,568
Other corporate liabilities	1,221	1,279
Group liabilities	83,215	63,725

4. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting):

	Three months ended 30 April		Six months ended 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Auditor's remuneration				
— Provision for the period	302	400	604	570
Cost of inventories recognised as expenses, including	19,743	12,991	40,423	25,299
— Reversal provision for slow-moving inventories	—	—	(697)	—
Depreciation of property, plant and Equipment	998	928	2,081	1,857
Depreciation of right of use assets	607	563	1,215	1,107
Exchange loss, net	108	36	108	109
Short term lease expenses	185	335	371	669
Staff costs (including directors' remuneration)				
— Wages and salaries	3,648	3,429	7,296	6,409
— Pension scheme contributions	247	205	493	411
	3,895	3,634	7,789	6,820

5. TAXATION

	Three months ended 30 April		Six months ended 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Under provision for prior period:				
— Hong Kong	–	–	–	8,400
Current tax:				
— PRC	529	922	848	1,424
— Hong Kong	–	41	–	166
	529	963	848	9,990

Hong Kong profits tax has been provided for at 8.25% (2020: 8.25%) on the first HK\$2 million of the estimated assessable profits and 16.5% on the estimated assessable profits above HK\$2 million for the six months ended 30 April 2021 and 2020.

The subsidiaries of the Company established in the PRC are subject to the PRC enterprise income tax. PRC enterprise income tax has been provided at the rate of 25% (2020: 25%) on the estimated assessable profits arising in the PRC for the period.

6. INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 April 2021 (2020: Nil).

7. EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share for the period are calculated based on the following data:

	Three months ended 30 April		Six months ended 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit/(loss) attributable to owners of the Company for the purpose of calculating basic earnings per share	904	(127)	1,674	(9,639)

	Number of shares			
	Three months ended 30 April		Six months ended 30 April	
	2021 '000	2020 '000	2021 '000	2020 '000
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	649,540	649,540	649,540	649,540

No diluted earnings per share is calculated for the three months and six months ended 30 April 2021 and 2020 as there was no dilutive potential ordinary share in existence.

8. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Office equipment	Plant molds and machinery	Furniture and fixtures	Building and structure	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Six months ended 30 April 2021						
Opening net book value	1,347	490	4,528	10	63,074	69,449
Additions	148	25	5	–	798	976
Depreciation	(227)	(59)	(171)	–	(1,624)	(2,081)
Translation difference	47	7	160	–	2,362	2,576
Closing net carrying amount	1,315	463	4,522	10	64,610	70,920
At 30 April 2021						
Cost	4,480	2,827	40,096	858	111,026	159,287
Accumulated depreciation	(3,165)	(2,364)	(35,574)	(848)	(46,416)	(88,367)
Net carrying amount	1,315	463	4,522	10	64,610	70,920

9. RIGHT-OF-USE ASSETS

	Leasehold land HK\$'000	Buildings leased for own use HK\$'000	Office equipment leased for own use HK\$'000	Total HK\$'000
Net carrying amount at 1 November 2020	4,208	4,062	86	8,356
Depreciation	(58)	(1,145)	(12)	(1,215)
Translation differences	161	16	–	177
Net carrying amount at 30 April 2021	4,311	2,933	74	7,318

10. INVENTORIES

	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
Merchandise	20,768	21,436
Less: provision for slow-moving inventories	(3,355)	(4,916)
	17,413	16,520

11. ACCOUNTS RECEIVABLE

	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
Accounts receivables	24,522	25,029
Less: Provision for impairment loss	(1,574)	(1,574)
	22,948	23,455

Accounts receivable are non-interest bearing and they are recognised at their original invoice amounts which represent their fair value at initial recognition.

The Group has a policy of generally allowing a credit period of 60 to 120 days to its trade customers. An ageing analysis of accounts receivable as at the reporting date, based on invoice date, is as follows:

	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
Outstanding balances with ages:		
Within 90 days	23,470	24,794
91–180 days	341	48
181–365 days	39	40
Over 365 days	672	147
	24,522	25,029

12. CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
Cash at bank and in hand	58,286	64,827
Less: pledged bank deposits for banking facilities	(9,020)	(9,020)
Cash and cash equivalents	49,266	55,807
Pledged bank deposits analysed for reporting purposes as non-current assets	9,020	9,020

13. ACCOUNTS AND BILLS PAYABLE

The credit terms granted by suppliers are generally for a period of 60–180 days. The ageing analysis of accounts and bills payable as at the reporting date, based on invoice date, is as follows:

	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
Outstanding balances with ages:		
Within 90 days	17,667	13,046
91–180 days	101	–
Over 180 days	76	262
	17,844	13,308

14. CONTRACT LIABILITIES

	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
Contract liabilities arising from — Sales of goods	4,114	2,436

15. LOAN FROM A SHAREHOLDER

	As at 30 April 2021 HK\$'000 (Unaudited)	As at 31 October 2020 HK\$'000 (Audited)
Loan from a shareholder	13,891	11,200
Less: current portion	(4,391)	–
	9,500	11,200

The loans from a shareholder represented amount due to a substantial shareholder of the Company who has control over the Group. The loans were unsecured and interest bearing at 5.25% per annum (2020: 5.25% per annum). They were not repayable within twelve months from the reporting date except for the amount of HK\$4,391,000 as at 30 April 2021 (as at 31 October 2020: Nil) which were repayable within twelve months from the reporting date.

The directors of the Company consider that the fair values of the loans are not materially different from their carrying amounts.

16. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances disclosed elsewhere in these unaudited consolidated financial statements, the Group had the following transactions with related parties during the period:

	Three months ended 30 April		Six months ended 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest expenses	257	152	385	281

Interest expenses were paid to a shareholder in accordance with the terms as set out in note 15.

- (b) Included in staff costs is key management personnel compensation (including executive directors' remuneration) which comprises the following categories:

	Three months ended 30 April		Six months ended 30 April	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Salaries				
Allowances and benefits in kind	1,014	992	2,029	1,985
Pension scheme contributions	14	14	27	27
	1,028	1,006	2,056	2,012

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

The total revenue of the Group for the six months ended 30 April 2021 (this “Period”) increased by 50% to HK\$59,211,000 when compared with that of the last corresponding period for six months ended 30 April 2020 (“Last Period”) HK\$39,550,000 as the revenue of our environment-friendly products business increased by 57% from last period HK\$29,298,000 to this Period HK\$45,922,000 under China’s positive industrial market sentiment and the revenue of our water supply plant business increased by 30% from last period HK\$10,252,000 to this period HK\$13,289,000.

The National Bureau of Statistics of the People’s Republic of China (the “Bureau of Statistic of the PRC”) recently announced that the China’s gross domestic product (the “GDP”) growth for the year 2020 fell to 2.3%, the lowest growth rate since year 1976 but the manufacturing Purchasing Managers’ Index (the “PMI”) was 51 in May 2021, over threshold 50 indicating more China manufacturers’ purchase expansion. In the process of transforming the Chinese economy to the “new normal” era with the new growth model emphasizing domestic consumption and quality, there are risks of decline in demand of low-end machinery and equipment but also opportunities under the national strategies of “Energy Conservation and Emission Reduction”. Leverage on the Group’s past experience in this area, the Group will source supply of new products or services which fulfill the policy of energy conservation and emission reduction in China, although we will monitor the situation cautiously and adjust our development plan accordingly.

The water supply plant in Tianjin has the exclusive right to supply processed water to certain areas inside and near Baodi District of Tianjin City including Jing-Jin New City. Under the Beijing-Tangshan Intercity Railways and Tianjin Binhai New Area Intercity Railway (together as the “New Intercity Railways”), the construction works of Baodi Station was started. It was believed that the completion of the New Intercity Railways will promote the integrative and cooperative economic development of the Baodi District and Jing-Jin New City which will benefit our water supply plant’s future development.

Financial Review

The Group’s total revenue for the period ended 30 April 2021 was HK\$59,211,000, representing an increase of 50% as compared with the last corresponding period (six months ended 30 April 2020: HK\$39,550,000). It was due to the increase of our environment-friendly product business’s revenue under China’s positive industrial market sentiment and the increase of our water supply plant business’s revenue.

The gross profit of the Group for the six months ended 30 April 2021 was amounted to HK\$16,599,000 represented an increase of 34% when compared with that of last corresponding period (six months ended 30 April 2020: HK\$12,398,000) due to increase in the Group's total revenue. The gross profit margin of the Group for the six months ended 30 April 2021 was 28% (six months ended 30 April 2020: 31%), the decrease in the gross profit margin of the Group was due to change of sales mix as the increase of revenue of our water supply plant business with higher gross profit margin was less than the increase of revenue of our environment-friendly product business.

The Group's administrative expenses for the six months ended 30 April 2021 was amounted to HK\$12,125,000 representing an increase of 3% compared with the last corresponding period (six months ended 30 April 2020: HK\$11,828,000). The Group's selling expenses for the six months ended 30 April 2021 was amounted to HK\$2,389,000, representing an increase of 16% compared with the last corresponding period (six months ended 30 April 2020: HK\$2,066,000) due to increase of exhibition cost and travelling expenses in this period.

The Group is subject to taxation in various jurisdictions and judgement is required in determining the amount of provision and the payment of taxation in accordance with the tax laws of the respective jurisdictions. Where the final tax outcome might be different from the amounts that were initially recorded, such difference will impact the income tax provisions. During the six months ended 30 April 2021, tax provision HK\$848,000 (six months ended 30 April 2020: HK\$9,990,000) was made, of which HK\$ Nil (six months ended 30 April 2020: HK\$8,400,000) further tax provision was made for prior years' under-provided tax after taking into account the up-to-date development with the Inland Revenue Department.

The Group recorded a profit attributable to owners of the Company for the six months ended 30 April 2021 amounted to HK\$1,674,000 while a loss attributable to owners of the Company for six months ended 30 April 2020 amounted to HK\$9,512,000.

Liquidity and Finance Resources

During the period under the review, the Group financed its operations by internally generated cash flow, banking facilities provided by banks and loans from shareholders. As at 30 April 2021, the Group had net current assets of HK\$28,125,000 (31 October 2020: HK\$26,867,000) including bank balances and cash of approximately HK\$49,266,000 (31 October 2020: HK\$55,807,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 1.40 as at 30 April 2021 (31 October 2020: 1.34). The Group's inventory turnover was about 74 days (31 October 2020: 96 days). The Group's accounts receivable turnover was about 71 days (31 October 2020: 92 days). The decrease in accounts receivable turnover and inventory turnover was due to increase in the Group's total revenue in this period.

Capital Structure

The shares of the Company were listed on the GEM board of the Stock Exchange on 5 December 2001. Except for the share options under the pre-IPO share option scheme were exercised at the exercise price of HK\$0.01 per share, resulting in the issue of 96,740,000 ordinary shares of HK\$0.01 each for a total consideration of HK\$967,000 in November 2005, there has been no material change in the capital structure of the Company since that date. The capital of the Group comprises only ordinary shares.

Gearing ratio

The gearing ratio (define as the total borrowing over total equity, including minority interests) as at 30 April 2021 increased to 15% (31 October 2020: 11%) due to increase of loan from a shareholder during this period.

Treasury policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirement.

Foreign Exchange Exposure

The Group's purchases are denominated in Japanese Yen, Sterling Pounds, Euro and US Dollars. The sales of the Group are predominantly in RMB and Hong Kong Dollars. The Group will review and monitor from time to time the risk relating to foreign exchanges.

Charge on Group assets and contingent liabilities

As at 30 April 2021, the Group had pledged its bank deposits of approximately HK\$9 million (31 October 2020: HK\$9 million) to secure its banking facilities. Save as aforesaid, the Group did not have any other significant contingent liabilities as at 30 April 2021 (31 October 2020: Nil).

Information on Employees

As at 30 April 2021, the Group had 72 employees (2020: 68) working in Hong Kong and PRC. Employees are remunerated according to their performance and work experience. On top of basic salaries, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. The total staff cost (including remuneration of the Directors and mandatory provident funds contributions) for the six months ended 30 April 2021 amounted to approximately HK\$7.8 million (for the six months ended 30 April 2020: HK\$6.8 million). The dedication and hard work of the Group's staff during the six months ended 30 April 2021 are generally appreciated and recognized.

Contingent liabilities

The Group had no material contingent liabilities at 30 April 2021 (31 October 2020: Nil).

Material acquisitions, disposal of subsidiaries and affiliated companies

During the six months ended 30 April 2021, the Group did not have any material acquisitions, disposals of subsidiaries and affiliated companies.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 April 2021, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Aggregate long positions in ordinary shares and underlying shares of the Company

As at 30 April 2021, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors or chief executives of the Company, as at 30 April 2021, the following persons (other than Directors or chief executives of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in ordinary shares of the Company

Name	Capacity and nature of interest	Number of ordinary shares held as at 30 April 2021	% to the Company's issued shares as at 30 April 2021
Lily Chiang (Note 1)	Founder of a discretionary trust	344,621,200	53.06
Virtue Trustees (Switzerland) AG (Note 2)	Through a unit trust and controlled corporation	344,621,200	53.06
Wide Sky Management Limited (Note 2)	Through a controlled corporation	344,621,200	53.06
Team Drive Limited (Note 2)	Directly beneficially owned	344,621,200	53.06
Dr. Pau Kwok Ping (Note 3)	Through a controlled corporation	44,224,000	6.81
Crayne Company Limited (Note 3)	Directly beneficially owned	44,224,000	6.81

Notes:

1. Lily Chiang is the founder of the Lily Chiang Family Trust which indirectly holds 344,621,200 shares in the Company. Accordingly, Lily Chiang is deemed to be interested in such shares.
2. 344,621,200 shares are directly and beneficially held by Team Drive Limited which is wholly-owned by Wide Sky Management Limited, of which the entire issued shares are held by Virtue Trustees (Switzerland) AG. Wide Sky Management Limited and Virtue Trustees (Switzerland) AG are deemed to be interested in all the shares held by Team Drive Limited.
3. The shares are held by Crayne Company Limited, a company wholly-owned by Dr. Pau Kwok Ping.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased or sold any of the Company's listed securities during the six months ended 30 April 2021. The Company and its subsidiaries did not redeem any of its listed securities during the six months ended 30 April 2021.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all Directors who have confirmed their compliance with required standard set out in the Securities Code during the six months ended 30 April 2021.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions in the Corporate Governance Code and Corporate Governance Report (the "Code") contained in the Appendix 15 of the GEM Listing Rules throughout the six months ended 30 April 2021.

COMPETITION AND CONFLICT OF INTEREST

None of the directors, the management shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group during six months ended 30 April 2021.

REMUNERATION COMMITTEE

The Company established a remuneration committee in March 2005. The primary duties of the remuneration committee are to review and make recommendation for the remuneration policy of the directors and senior management. The chairman of the remuneration committee is Ms. CHAN Siu Ping Rosa and other members include Mr. CHAU Kam Wing Donald and Professor NI Jun, all of them are independent non-executive directors of the Company.

NOMINATION COMMITTEE

The Company established a nomination committee in February 2006. The principal duties of the nomination committee are to formulate nomination policy and make recommendation to the Board on nomination and appointment of the directors and board succession. The chairman of the nomination committee is Mr. CHAU Kam Wing Donald and other members include Ms. CHAN Siu Ping Rosa and Professor NI Jun, all of them are independent non-executive directors of the Company.

AUDIT COMMITTEE

The Company established an audit committee on 5 December 2001 with written terms of reference in compliance with Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system of the Group. The chairman of the audit committee is Mr. CHAU Kam Wing Donald and other members include Ms. CHAN Siu Ping Rosa and Professor NI Jun, all of them are independent non-executive directors of the Company.

The Group's unaudited results for the three months and six months ended 30 April 2021 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

By Order of the Board
Eco-Tek Holdings Limited
WU Cheng-wei
Chairman

Hong Kong, 11 June 2021

As at the date of this report, the Board of Directors comprises Mr. WU Cheng-wei and Mr. LEUNG Wai Lun and as executive directors; Dr. LUI Sun Wing as non-executive director; Ms. CHAN Siu Ping Rosa, Professor NI Jun and Mr. CHAU Kam Wing Donald as independent non-executive directors.