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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)**

### **CONNECTED TRANSACTION LEASE AGREEMENT**

As the Existing Lease Agreement will expire on 31 August 2024, the Board is pleased to announce that on 8 August 2024, Gainwise as the lessor and Asian Way (an indirect wholly-owned subsidiary of the Company) as the lessee entered into the New Lease Agreement for the lease of the Premises for a term of two years from 1 September 2024 to 31 August 2026 (both days inclusive).

Gainwise, wholly-owned by Wide Sky, is a fellow subsidiary of Team Drive which is in turn held 53.06% ordinary shares to the Company's issued share capital, a substantial shareholder of the Company. Wide Sky directly holds all the interests in Team Drive and Gainwise. Therefore, Gainwise is a connected person of the Company under Chapter 20 of the GEM Listing Rules. In accordance with HKFRS 16, such transaction will be recognised by the Group as an acquisition of right-of-use assets. Accordingly, the transaction contemplated under the New Lease Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Further, as one or more of the applicable percentage ratios calculated by reference to Rule 19.07 of the GEM Listing Rules in respect of the value of the right-of-use asset approximately HK\$1.25 million under the New Lease Agreement exceed(s) 5% but less than 25% and HK\$10 million, the New Lease Agreement and the transactions contemplated thereunder constitutes a disclosable and connected transaction of the Company which is only subject to the reporting and announcement requirements and is exempt from the circular, independent financial advice and Shareholders' approval requirements under Rule 20.74(2) of the GEM Listing Rules.

## **INTRODUCTION**

As the Existing Lease Agreement will expire on 31 August 2024, the Board is pleased to announce that on 8 August, 2024, Gainwise as the lessor and the Asian Way (an indirect wholly-owned subsidiary of the Company) as the lessee entered into the New Lease Agreement for the lease of the Premises for a term of two years from 1 September 2024 to 31 August 2026 (both days inclusive).

## **NEW LESAE AGREEMENT**

A summary of the salient terms of the New Lease Agreement is set out below.

Date: 8 August 2024

Parties: 1. Gainwise, as the lessor  
2. Asian Way, as the lessee

Premises: Room 902, Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong with an aggregate saleable area of 160.6 square meters (the “Premises”).

Usage: For office purpose.

Lease term: The term of the lease of two years shall commence on 1 September 2024 and expire on 31 August 2026.

Rental: The monthly rent is HK\$ 52,000, exclusive of management service fees and government rates, which will be borne by Asian Way. Accordingly, the total rent payable by Asian Way to Gainwise during the term under the New Lease Agreement is approximately HK\$ 1.25 million. The amount of rent was determined based on arm’s length negotiations between Gainwise and Asian Way with reference to the monthly market rental value of the Premises in the amount of HK\$ 52,000 as at 22 July 2024 as appraised by an independent valuer based on the direct comparison method.

Payment terms: Asian Way shall pay to Gainwise the monthly rent on the first day of each and every calendar month during the Lease term,

Security deposit: On the date of the New Lease Agreement, Asian Way shall pay Gainwise a security deposit of HK\$ 156,000, which is equivalent to three month’s rent of the Premises. Such deposit shall be refunded by Gainwise to Asian Way after the return of the Premises to Gainwise at the end of the term of the New Lease Agreement.

## **REASONS FOR ENTERING INTO THE NEW LEASE AGREEMENT**

The Group has since September 2021 been leasing the Premises from Gainwise and used the Premises as office space to accommodate its workforce. As the Existing Lease Agreement will expire on 31 August

2024, Gainwise as a lessor and Asian Way as the lessee entered into the New Lease Agreement under arm's length negotiation and the rent has been determined with reference to the prevailing market rent. Having regard to the prevailing market rent level for comparable premises in the vicinity of the Premises which is in line with the rent payable by Asian Way under the New Lease Agreement, the Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the New Lease Agreement is on normal commercial terms or better, which are fair and reasonable, in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

Gainwise, wholly-owned by Wide Sky, is a fellow subsidiary of Team Drive which is in turn held 53.06% ordinary shares to the Company's issued share capital, a substantial shareholder of the Company. Wide Sky directly holds all the interests in Team Drive and Gainwise. Therefore, Gainwise is a connected person of the Company under Chapter 20 of the GEM Listing Rules. Pursuant to HKFRS 16, the Premises leased under the New Lease Agreement will be recognised by the Group as right-of-use assets with the estimated value of approximately HK\$1.25 million, and the transaction contemplated under the New Lease Agreement will be recognised as the acquisition of right-of-use assets which will constitute a one-off connected transaction of the Company under Chapter 20 of the Listing Rules. Further, as one or more of the applicable percentage ratios calculated by reference to Rule 19.07 of the GEM Listing Rules in respect of the value of the right-of-use asset under the New Lease Agreement exceed(s) 5% but less than 25% and HK\$10,000,000, the New Lease Agreement and the transactions contemplated thereunder constitutes a disclosable and connected transaction of the Company which is only subject to the reporting and announcement requirements and is exempt from the circular, independent financial advice and Shareholders' approval requirements under Rule 20.74(2) of the GEM Listing Rules

At the Board meeting held on 8 August 2024 approving, inter alia, the New Lease Agreement and the transactions contemplated thereunder, none of the Directors has a material interest in the transaction contemplated under the New Lease Agreement.

### **INFORMATION ON THE GROUP**

The Group is principally involved in the marketing, sales servicing, research and development of environmental-friendly products as well as operating a water supply operation in Tianjin PRC. Asian Way is an indirect wholly-owned subsidiary of the Company and is principally engaged in investments holding and management.

### **INFORMATION ON GAINWISE**

Gainwise, wholly-owned by Wide Sky, is a fellow subsidiary of Team Drive which is in turn held 53.06% ordinary shares to the Company's issued share capital, a substantial shareholder of the Company. Gainwise is principally engaged in investing in properties and shares of various companies.

## DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“Asian Way”	Asian Way International Limited, an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	ECO-TEK HOLDINGS LIMITED 環康集團有限公司* (Stock Code: 8169), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Existing Lease Agreement”	the lease agreement dated 18 July 2022 entered into between Gainwise and Asian Way in respect of the lease of the Premises for a term of two years from 1 September 2022 to 31 August 2024
“Gainwise”	Gainwise Development Limited, directly wholly owned by Wide Sky, is a fellow subsidiary of Team Drive, a substantial shareholder of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its Subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants from time to time
“New Lease Agreement”	the lease agreement dated 8 August 2024 entered into between Gainwise and Asian Way in respect of the lease of the Premises for a term of two years from 1 September 2024 to 31 August 2026
“PRC”	the People’s Republic of China

“Premises”	has the meaning as ascribed to it under the section headed New Lease Agreement” in this announcement
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Team Drive”	Team Drive Limited, a substantial shareholder of the Company which holds 53.06% ordinary shares to the Company’s issued share capital.
“Wide Sky”	Wide Sky Management Limited directly hold all the interests in Gainwise and Team Drive.
“%”	per cent

By order of the Board

**Eco-Tek Holdings Limited**

環康集團有限公司\*

Mr. WU Cheng-wei

Chairman

Hong Kong, 8 August 2024

\* For identification purpose only

*As at the date of this announcement, the Board comprises Mr. WU Cheng-wei (Chairman) and Mr. LEUNG Wai Lun as executive Directors; Dr. LUI Sun Wing as non-executive Director; and Ms. CHAN Siu Ping Rosa, Mr. CHAU Kam Wing Donald and Ms. WONG Ching Yan as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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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