Eco-Tek 環康科技

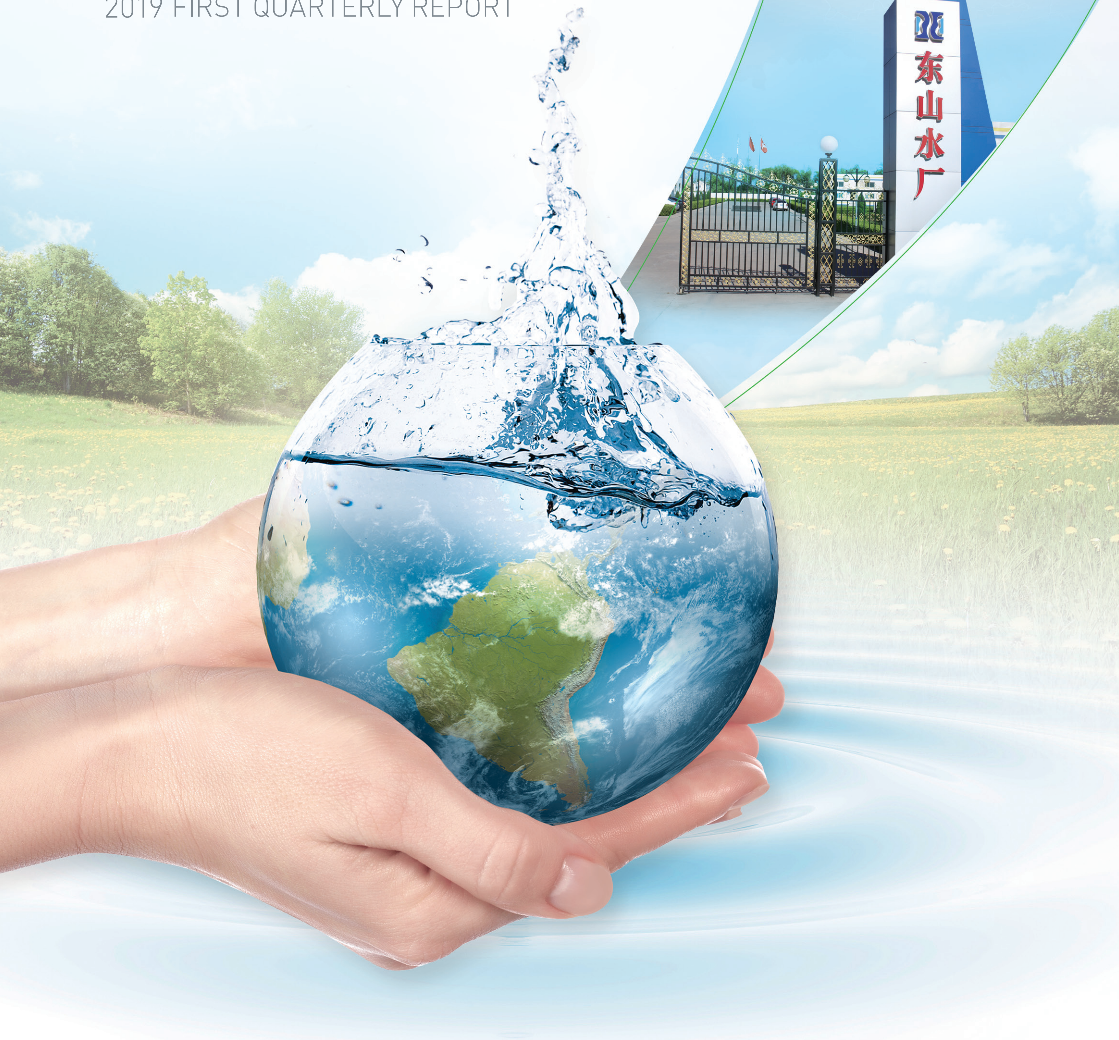
Eco-Tek Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8169

HEALTHY ENVIRONMENT
QUALITY LIVING

2019 FIRST QUARTERLY REPORT



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Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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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 three months ended 31 January 2019 amounted to HK$23,413,000 (three months ended 31 January 2018: HK$31,723,000), representing a decrease of 26% as compared with the corresponding period.
- Profit attributable to owners of the Company for the three months ended 31 January 2019 amounted to HK$255,000 (three months ended 31 January 2018: HK$894,000).
- Basic earnings per share for the three months ended 31 January 2019 amounted to approximately HK0.04 cent (three months ended 31 January 2018 amounted to approximately HK0.14 cent).

Unaudited First Quarterly 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 ended 31 January 2019 together with the comparative figures as follows:

Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended 31 January 2019

		Three months ended 31 January	
		2019	2018
	Notes	**HK$'000**	HK$'000
Revenue	*2*	**23,413**	31,723
Cost of Sales		**(15,302)**	(23,257)
Gross Profit		**8,111**	8,466
Other income		**801**	65
Selling expenses		**(1,258)**	(1,046)
Administrative expenses		**(6,339)**	(5,792)
Profit from operations		**1,315**	1,693
Finance costs		**(129)**	(126)
Share of profit of a joint venture		**340**	217
Profit before income tax		**1,526**	1,784
Taxation	*3*	**(961)**	(881)
Profit for the period		**565**	903

	Notes	Three months ended 31 January **2019** **HK$'000**	2018 HK$'000
Other comprehensive income for the period			
— Items that may subsequently reclassified to profit and loss:			
Exchange gain on translation of financial statements of foreign operations		**1,709**	974
Share of other comprehensive income of a joint venture		**120**	130
		1,829	1,104
Total comprehensive income for the period		**2,394**	2,007
Profit for the period attributable to:			
Owners of the Company		**255**	894
Non-controlling interests		**310**	9
		565	903
Total comprehensive income for the period attributable to:			
Owners of the Company		**1,804**	1,509
Non-controlling interests		**590**	498
		2,394	2,007
Earnings per share attributable to owners of the Company:	*5*		
— Basic		**HK0.04 cent**	HK0.14 cent
— Diluted		**N/A**	N/A

Consolidated Statement of Changes in Equity (Unaudited)

For the three months ended 31 January 2019

	Equity attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Exchange translation reserve HK$'000	Capital contribution reserve HK$'000	Retained profits HK$'000	Total HK$'000	HK$'000	HK$'000
At 1 November 2017	6,495	19,586	95	15,460	7,971	47,118	96,725	8,290	105,015
Profit for the period	–	–	–	–	–	894	894	9	903
Other comprehensive income for the period	–	–	–	615	–	–	615	489	1,104
Total comprehensive income for the period	**–**	**–**	**–**	**615**	**–**	**894**	**1,509**	**498**	**2,007**
At 31 January 2018	**6,495**	**19,586**	**95**	**12,124**	**7,971**	**42,446**	**88,717**	**7,161**	**95,878**
At 1 November 2018, as original presented	6,495	19,586	95	10,831	7,971	51,965	96,943	8,918	105,861
Impact of initial application of HKFRS 9	–	–	–	–	–	(252)	(252)	–	(252)
At 1 November 2018, as restated	6,495	19,586	95	10,831	7,971	51,713	96,691	8,918	105,609
Profit for the period	–	–	–	–	–	255	255	310	565
Other comprehensive income for the period	–	–	–	1,549	–	–	1,549	280	1,829
Total comprehensive income for the period	**–**	**–**	**–**	**1,549**	**–**	**255**	**1,804**	**590**	**2,394**
At 31 January 2019	**6,495**	**19,586**	**95**	**12,380**	**7,971**	**51,968**	**98,495**	**9,508**	**108,003**

Notes to the 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 consolidated financial statements for the three months ended 31 January 2019 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 consolidated financial statements for the three months ended 31 January 2019 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 consolidated financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited consolidated financial statement for the three months ended 31 January 2019 should be read in conjunction with audited consolidated financial statements and notes thereto for the year ended 31 October 2018 ("2018 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 2018 Audited Consolidated financial statements except for the adoption of new or revised HKFRSs as described below:

HKFRS 15 — Revenue from contracts with customers

The Group has applied HKFRS 15 "Revenue from Contracts with Customers" on 1 November 2018. This new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 has superseded existing revenue recognition guidance including HKAS 18 Revenue HKAS 11 Construction Contracts and related interpretations.

The Group has adopted HKFRS 15 using the cumulative effect transition method. The Group has recognised the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained profits at the date of initial application (that is, 1 November 2018) if any. As a result, the financial information presented for 2018 has not been restated.

HKFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Group has assessed the impacts of adopting HKFRS 15 on its condensed consolidated financial statements and has no significant impact on the Group's revenue recognition.

Revenue from sales of goods is recognised at a point in time as when the control of the goods has been transferred to the customers and there is no unfulfilling performance obligation after the acceptance of the goods.

Upon the adoption of HKFRS 15, if there is any satisfied performance obligation but where the Group does not have an unconditional right to consideration, the Group should recognised a contract asset. No contract asset is recognised upon transition and at the end of reporting period. If the Group does not satisfied any performance obligation but the Group has an unconditional right to consideration, the Group should recognised contract liabilities. No contract liabilities is recognised upon transition.

HKFRS 9 — Financial Instruments

In the current period, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirement for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and (3) general hedge accounting.

HKFRS 9 basically retains the existing requirements in HKAS 39 for the classification and measurements of financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held to maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no material impact on the Group's accounting policies related to financial liabilities and derivative financial instruments except for the embedded derivatives. The impact of HKFRS 9 on the Group's classification and measurement of financial assets is set out below.

Under HKFRS 9, except for certain accounts receivable (that the accounts receivable do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs. A financial asset is classified as: (i) financial assets at amortised cost; (ii) financial assets at FVOCI; or (iii) financial assets at FVPL. The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the "solely payments of principal and interest" criterion, also known as "SPPI criterion").

Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

— The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

— The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

Debt instruments that meet the following conditions are subsequently measured at FVOCI:

— The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

— The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Impairment under ECL model
The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default evens over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group has elected to measure loss allowances for accounts receivable using HKFRS 9 simplified approach and has calculated ECL based on lifetime ECL. The ECL on these assets are assessed individually for debtors with significant balance and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk
In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

— An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

— Significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

— Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

— An actual or expected significant deterioration in the operating results of the debtor;

— An actual or expected significant adverse change in the regulatory, economic, or technological environmental of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Measurement and recognition of ECL
The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognised the effect of ECL in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECL rules are therefore not reflected in the consolidated statement of financial position as at 31 October 2018, but are recognised in the consolidated statement of financial position on 1 November 2018. This mean that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained profits and reserves as at 1 November 2018. Accordingly, the information presented for 2018 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

As at 1 November 2018, the director of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. Set out below are disclosures relating to the impact of the adoption of HKFRS 9 on the Group:

(i) Classification and measurement of financial instruments

On 1 November 2018, the Group's management has assessed which business models apply to the financial assets held by the Group at the date of initial application of HKFRS 9 (1 November 2018) and has classified its financial instruments into the appropriate HKFRS 9 categories.

(ii) Reconciliation of consolidated statement of financial position balances from HKAS 39 to HKFRS 9

For financial assets subject to ECL impairment, the carrying amounts in accordance with HKAS 39 have been re-measured upon transition to HKFRS 9 on 1 November 2018. The reconciliation of carrying amount in accordance with HKAS 39 and HKFRS 9 is as follow:

	HKAS 39 Carrying amount as at 31 October 2018 HK$'000 (Audited)	**Re-measurement (Additional ECL allowance)** HK$'000 (Unaudited)	**HKFRS 9 Carrying amount as at 1 November 2018** HK$'000 (Unaudited)
Accounts receivable	15,638	(196)	15,442
Deposits, prepayments and other receivables	4,343	(56)	4,287
Pledged bank deposits	9,020	–	9,020
Cash and cash equivalents	33,895	–	33,895

2. REVENUE

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

	Three months ended 31 January	
	2019	2018
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Industrial environmental products	**17,779**	25,812
Water supply plant	**5,573**	5,487
General environmental protection related products and services	**61**	424
	23,413	31,809

3. TAXATION

	Three months ended 31 January	
	2019	2018
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Provisions		
— Hong Kong	**27**	87
— PRC	**934**	794
	961	881

Hong Kong profits tax has been provided for at 16.5% (2018: 16.5%) on the estimated assessable profit for the three months ended 31 January 2019 and 2018.

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% (2018: 25%) on the estimated assessable profits arising in the PRC for the period.

Under the current general provision of the PRC enterprise income tax law and published tax circulars, a subsidiary of the Group would be subject to PRC withholding tax at the rate of 10% in respect of its PRC sourced income earned, including interest income.

A subsidiary of the Group established and operating in Macau, was exempted from Macau complementary profits tax for the three months ended 31 January 2019 and 2018 according to the relevant laws and regulation in Macau.

4. INTERIM DIVIDENDS

The Directors do not recommend the payment of any dividend for the three months ended 31 January 2019 and 2018.

5. EARNINGS PER SHARE

The basic earnings per share for the period are calculated based on the profit attributable to owners of the Company for the three months ended 31 January 2019 of approximately HK$255,000 (HK$894,000 for the three months ended 31 January 2018) and the weighted average of 649,540,000 ordinary shares in issue during the three months ended 31 January 2019 (three months ended 31 January 2018: 649,540,000).

No diluted earnings per share is calculated for the three months ended 31 January 2019 and 2018 as there was no dilutive potential ordinary share in existence.

Management Discussion and Analysis

Business Review and Prospects

The revenue of the Group for the three months ended 31 January 2019 decreased by 26% to HK$23,413,000 when compared with the last correspondence period (three months ended 31 January 2018: HK$31,723,000) as the sales of our industrial environmental products business decreased under a China's trade war with United State (the "US") during this period. The National Bureau of Statistic of the People of Republic of China recently announced that the manufacturing Purchasing Managers' Index (PMI) was 49.2 in February 2019 which was below the threshold 50 indicating the contraction of China's manufactures in purchasing activities. 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 revenue for the period ended 31 January 2019 was HK$23,413,000 a decrease of 26% as compared with the last corresponding period (three months ended 31 January 2018: HK$31,723,000). It was due to the decrease of our industrial environmental product business's sales under poor market sentiment since China's trade war with US.

The gross profit of the Group for the three months ended 31 January 2019 was amounted to HK$8,111,000 represented a decrease of 4% when compared with that of last corresponding period (three months ended 31 January 2018: HK$8,466,000) due to decrease in revenue of the industrial environmental products business. The gross profit margin of the Group for the three months ended 31 January 2019 was 35% which was higher than that of the corresponding period (three months ended 31 January 2018: 27%) as the proportion of higher gross profit margin water supply plant business to the Group revenue increased from last period ended 31 January 2018: 17% to this period ended 31 January 2019: 24%.

The Group's administrative expenses for the three months ended 31 January 2019 was amounted to HK$6,339,000 representing an increase of 9% compared with the last corresponding period (three months ended 31 January 2018: HK$5,792,000) due to increase of rental expenses and exchange losses. The Group's selling expenses for the three months ended 31 January 2019 was amounted to HK$1,258,000, representing an increase of 20% compared with the last corresponding period (three months ended 31 January 2018: HK$1,046,000) due to increase of travelling expense.

The Group recorded a profit attributable to owners of the Company amounted to HK$255,000 for the three months ended 31 January 2019 (three months ended 31 January 2018: HK$894,000).

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 January 2019, 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 31 January 2019, 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 31 January 2019, 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	Total number of ordinary shares held as at 31 January 2019	Percentage to the Company's issued share capital as at 31 January 2019
Virtue Trustees (Switzerland) AG *(Note 1)*	Through a unit trust and controlled corporation	344,621,200	53.06
Wide Sky Management Limited *(Note 1)*	Through a controlled corporation	344,621,200	53.06
Team Drive Limited *(Note 1)*	Directly beneficially owned	344,621,200	53.06
Dr. Pau Kwok Ping *(Note 2)*	Through a controlled corporation	44,224,000	6.81
Crayne Company Limited *(Note 2)*	Directly beneficially owned	44,224,000	6.81
Mr. Lee Wai Man	Directly beneficially owned	35,620,000	5.48

Notes:

1. These shares are held by Team Drive Limited which is wholly-owned by Wide Sky Management Limited, being the trustee of a unit trust of which the entire issued units are held by Virtue Trustees (Switzerland) AG. By virtue of the SFO, Wide Sky Management Limited and Virtue Trustees (Switzerland) AG are deemed to be interested in all the shares held by Team Drive Limited.

2. 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 three months ended 31 January 2019. The Company had not redeemed any of its listed securities during the three months ended 31 January 2019.

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 three months ended 31 January 2019.

Corporate Governance

The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") contained in Appendix 15 of the GEM Listing Rules throughout the three months ended 31 January 2019.

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 three months ended 31 January 2019.

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, risk management 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 ended 31 January 2019 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, 13 March 2019

As at the date of this report, the Board of Directors comprises Mr. WU Cheng-wei and Mr. LEUNG Wai Lun 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.