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**CK Life Sciences Int'l. (Holdings) Inc.**

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8222)

## **CONNECTED TRANSACTION**

The Board announces that on 18 March 2005, the AquaTower Loan Agreement was made between a wholly-owned subsidiary of the Company and AquaTower for the provision of shareholder's loan to AquaTower in the amount of up to A\$5,225,635.02 (approximately HK\$31,353,810). AquaTower is owned as to 51% by the Company indirectly and as to 49% by CKI indirectly. An indirect wholly-owned subsidiary of CKI had also entered into a loan agreement with AquaTower on equivalent terms for providing proportional funding to AquaTower in accordance with its shareholding interest in AquaTower. AquaTower is a non wholly-owned subsidiary of the Company and hence a connected person of the Company under the GEM Listing Rules.

As the granting of the shareholder's loan by the subsidiary of the Company to AquaTower constitutes a connected transaction for the Company under the GEM Listing Rules and the applicable percentage ratio is less than 2.5%, the transaction is only subject to reporting and announcement requirements and is exempt from independent shareholders' approval requirement pursuant to Rule 20.66 (2) of the GEM Listing Rules.

## **THE AQUATOWER SHAREHOLDER'S LOAN**

On 18 March 2005, Hofine, an indirect wholly-owned subsidiary of the Company, entered into the AquaTower Loan Agreement with AquaTower pursuant to which Hofine, as lender, shall advance a shareholder's loan to AquaTower.

The principal terms of the AquaTower Loan Agreement are as follows:

Date: 18 March 2005

Lender: Hofine

Borrower: AquaTower

Total non-revolving loan facility available: A\$5,225,635.02 (approximately  
HK\$31,353,810)

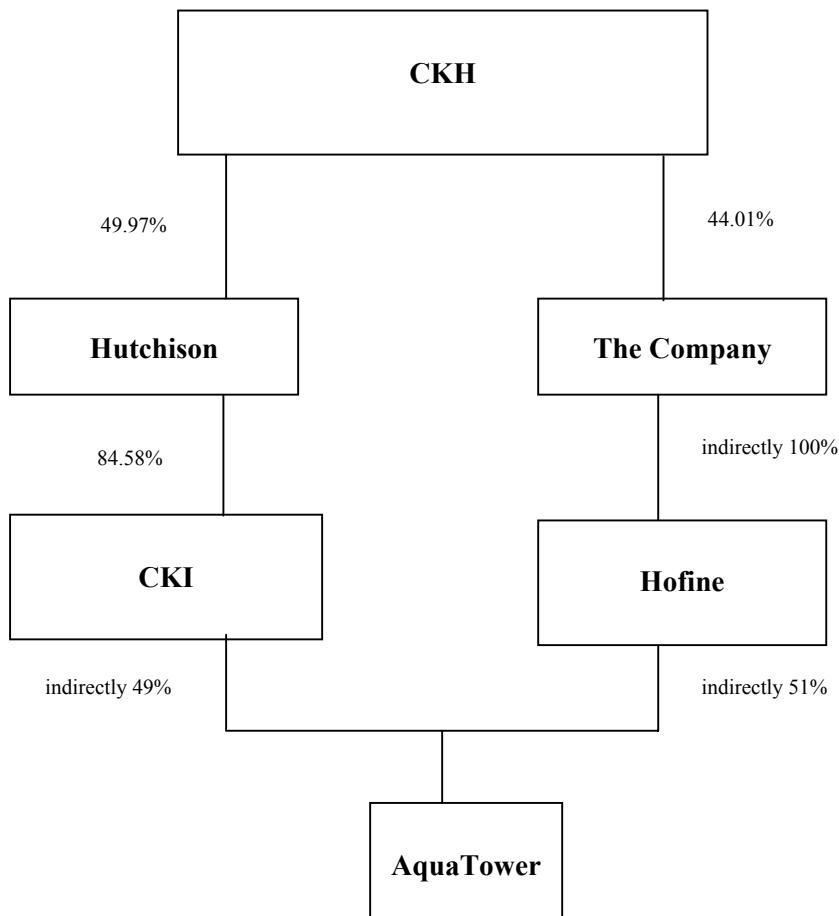
As agreed between Hofine and AquaTower, the interest will be equivalent to the sum of the Base Rate plus a margin ranging from 0.9% to 1.1%, or at such other rate as the parties shall agree from time to time. For illustration purpose, the Base Rate as at 17 March 2005 was around 5.88%.

The principal amount outstanding will be repayable on 31 December 2014 or such other date as mutually agreed between Hofine and AquaTower.

AquaTower is owned as to 51% by the Company indirectly and as to 49% by CKI indirectly. Oxford Blue Holdings Limited, an indirect wholly-owned subsidiary of CKI, had also entered into a loan agreement with AquaTower on equivalent terms for providing proportional funding to AquaTower in accordance with its shareholding interest in AquaTower. At the time when a drawdown notice is given by AquaTower to Hofine, an equivalent notice will be given by AquaTower to Oxford Blue Holdings Limited pursuant to the loan agreement between AquaTower and Oxford Blue Holdings Limited.

## **RELATIONSHIP BETWEEN THE COMPANY AND AQUATOWER**

CKH currently owns approximately 49.97% of Hutchison and approximately 44.01% of the Company. Hutchison currently owns approximately 84.58% of CKI. AquaTower is currently indirectly owned as to 51% by the Company and as to 49% by CKI. AquaTower is accordingly a non wholly-owned subsidiary of the Company and hence a connected person of the Company under the GEM Listing Rules. The following is a chart showing the relationship between the Company and AquaTower:



## **REASONS FOR THE TRANSACTION**

The operations of AquaTower are funded by capital contributions of and loans from its shareholders as well as banking facilities.

The Directors (including the Independent Directors) consider that the granting of shareholder's loan by Hofine to AquaTower was arrived at on normal commercial terms after arm's length negotiations and is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **GENERAL**

The business operations of the Group primarily include, inter alia, research and development, commercialization, marketing and sale of biotechnology products as well as investments in financial instruments/products. Products developed by the Group are categorized into areas of human health and environmental sustainability. A number of the inventions were granted patents by the US Patent and Trademark Office.

AquaTower owns and operates four water treatment plants serving several towns in western Victoria, Australia through a water treatment agreement with the Grampians Region Water Authority which is a Victorian Government Statutory Authority.

As the granting of the shareholder's loan by a subsidiary of the Company to AquaTower constitutes a connected transaction for the Company under the GEM Listing Rules and the applicable percentage ratio for the granting of shareholder's loan is less than 2.5%, the transaction is only subject to reporting and announcement requirements and is exempt from independent shareholders' approval requirement pursuant to Rule 20.66 (2) of the GEM Listing Rules.

## **DEFINITIONS**

“AquaTower”	AquaTower Pty Ltd, a company incorporated in Australia with limited liability and a non wholly-owned subsidiary of the Company
“AquaTower Loan Agreement”	the loan agreement and other related documents dated 18 March 2005 between Hofine and AquaTower
“A\$”	the lawful currency of Australia
“Base Rate”	<p>(a) the average “bid rate” (rounded upwards to 2 decimal places) quoted on the page entitled “BBSY” of the Reuters monitor system at or about 10:30 am (Melbourne time) on the first day of the relevant interest period of 3 months (or such other interest period as agreed between Hofine and AquaTower from time to time) for bank accepted bills with a tenor equal to the relevant interest period; or</p> <p>(b) if in respect of the first day of any interest period, the Base Rate cannot be determined in accordance with paragraph (a), the rate percent per annum determined by Hofine as the average of the rates quoted to Hofine by at least 3 financial institutions selected by Hofine which provide rates for display on the “BBSY” page of the Reuters monitor system for bills which have a tenor equal to the relevant interest period; or</p>

	(c) if in respect of the first day of any interest period the Base Rate cannot be determined in accordance with paragraphs (a) or (b), the rate percent per annum determined by Hofine in good faith to be the appropriate rate having regard to comparable indices in the then current bill market
“Board”	the board of Directors
“CKH”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. Cheung Kong (Holdings) Limited is an indirect substantial shareholder of the Company
“CKI”	Cheung Kong Infrastructure Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Company”	CK Life Sciences Int'l., (Holdings) Inc., a company incorporated in the Cayman Islands with limited liability
“Directors”	the directors of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China
“Hofine”	Hofine Investment Limited, a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company
“Hutchison”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Independent Directors”	the independent non-executive directors of the Company from time to time
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

Throughout this announcement and for indication purposes only, the figure in A\$ has been converted into HK\$ at the rate of A\$1 = HK\$6.

By Order of the Board  
**CK Life Sciences Int'l., (Holdings) Inc.**  
**Eirene Yeung**  
*Company Secretary*

Hong Kong, 18 March 2005

*As at the date of this announcement, the Executive Directors of the Company are Mr. Li Tzar Kuoi, Victor (Chairman), Mr. Kam Hing Lam, Mr. Ip Tak Chuen, Edmond, Mr. Yu Ying Choi, Alan Abel, Dr. Pang Shiu Fun, Dr. Chu Kee Hung and Mr. Lam Hing Chau, Leon; and the Non-executive Directors are Mr. Kwan Chiu Yin, Robert (Independent Non-executive Director), Mr. Peter Peace Tulloch, Professor Wong Yue-chim, Richard (Independent Non-executive Director), Mrs. Kwok Eva Lee (Independent Non-executive Director) and Mr. Colin Stevens Russel (Independent Non-executive Director).*

*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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the website of the Company at [www.ck-lifesciences.com](http://www.ck-lifesciences.com).*