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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)

**Rights Issue
in the Proportion
of One Rights Share for
Every Two Shares Held
at HK\$0.65 per Rights Share**

Financial Adviser



Citigroup Global Markets Asia Limited

THE RIGHTS ISSUE

The Company proposes to undertake a rights issue at a price of HK\$0.65 per Rights Share on the basis of one Rights Share for every two Shares held on the Record Date. The Company will provisionally allot one Rights Share for every two Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue is only available to the Qualifying Shareholders.

The Major Shareholders have undertaken to take up their entitlements under the Rights Issue in full. The Major Shareholders are together interested in 4,700,014,286 Shares in aggregate, representing approximately 73.35% of the existing issued share capital of the Company, out of which 2,820,008,571 Shares representing approximately 44.01% is owned by Gold Rainbow Int'l Limited, 1,410,004,286 Shares representing approximately 22.01% is owned by Trueway International Limited and 470,001,429 Shares representing approximately 7.33% is owned by Triluck Assets Limited.

The Rights Issue is subject to the fulfillment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms (see “Conditions of the Rights Issue” below). The Rights Issue may or may not proceed. Investors are advised to exercise caution when dealing in Shares.

To qualify for the Rights Issue, a Shareholder (other than a Non-Qualifying Shareholder) must be registered as a member of the Company on the Record Date. Any transfers of Shares (with relevant certificates) must be lodged for registration by 4:00 p.m. on Friday, 7 April 2006 with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong. The register of members of the Company will be closed from Monday, 10 April 2006 to Thursday, 13 April 2006, both days inclusive. No transfer of Shares will be registered during this period. Existing Shares will be dealt in on an ex-rights basis from Thursday, 6 April 2006.

The Rights Issue will proceed on a non-underwritten basis. The Major Shareholders have indicated that they may apply by way of excess application for part or all of the Rights Shares provisionally allotted but not accepted, any unsold entitlements of the Non-Qualifying Shareholders and any unsold fractional entitlements to the Rights Shares.

Any buying or selling of the Shares from now up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, and any buying or selling of nil-paid Rights Shares, is at investors' own risk.

Based on the 3,203,690,800 Rights Shares proposed to be issued, the net proceeds from the Rights Issue is currently expected to be approximately HK\$2,067,000,000 and will be used for general working capital, research and development and acquisitions.

The Prospectus containing, among others, further details of the proposed Rights Issue will be sent to the Shareholders on or about Thursday, 13 April 2006.

The Company will despatch the Prospectus Documents to each of the Qualifying Shareholders and the Prospectus to each of the Non-Qualifying Shareholders (if any), for their information only, as soon as practicable.

RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue : one Rights Share for every two Shares held on the Record Date

Subscription Price : HK\$0.65 per Rights Share

Number of existing Shares in issue : 6,407,381,600 Shares

Number of Rights : 3,203,690,800 Rights Shares, representing approximately 50.0%
Shares proposed to and 33.3% of the existing and enlarged issued share capital of the
be issued Company respectively

Number of Rights : the Major Shareholders have undertaken to take up in aggregate
Shares undertaken to 2,350,007,142 Rights Shares which will be provisionally allotted
be taken up by the to them pursuant to the Rights Issue
Major Shareholders

As at the date of this announcement, there are 18,174,700 outstanding Options granted under the Share Option Scheme, which are exercisable in different periods between 30 September 2003 to 18 January 2014. If all the subscription rights attaching to those outstanding Options which are exercisable are exercised on or before the Record Date, the number of total issued Shares will be increased to 6,423,148,500 Shares and the number of Rights Shares proposed to be issued pursuant to the Rights Issue will be increased from 3,203,690,800 to 3,211,574,250 Rights Shares.

Apart from Options granted under the Share Option Scheme, the Company has no other outstanding options, convertible securities or warrants which confer the right to subscribe for Shares.

Qualifying Shareholders

The Company will send Provisional Allotment Letters and Excess Application Forms to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificate(s)) with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:00 p.m. (Hong Kong time) on Friday, 7 April 2006.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 10 April 2006 to Thursday, 13 April 2006, both days inclusive, for determination of entitlements under the Rights Issue. No transfer of Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE

Subscription price

HK\$0.65 per Rights Share, payable in full when a Qualifying Shareholder accepts the relevant provisional allotments of Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for Rights Shares.

The Subscription Price of HK\$0.65 per Right Share was determined with reference to recent closing prices of the Shares on GEM and represents (i) a discount of approximately 30.9% to the closing price of HK\$0.94 per Share quoted on GEM on 22 March 2006 (the last trading day prior to the date of this announcement); (ii) a discount of approximately 22.9% to the theoretical ex-rights price of HK\$0.84 per Share based on that closing price per Share and (iii) a discount of approximately 31.7% to the average closing price of HK\$0.95 per Share for the last ten trading days up to and including 22 March 2006.

The theoretical ex-rights price is calculated by adding the market value of all outstanding Shares (based on the closing price on 22 March 2006) with the total amount received from Rights Issue (assuming all rights will be exercised), and then divided by total number of outstanding Shares after the Rights Issue.

The Directors consider the terms of the Rights Issue and the Subscription Price to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotments

One Rights Share for every two Shares held by a Qualifying Shareholder on the Record Date.

Status of the Rights Shares

When fully paid, issued and allotted, the fully-paid Rights Shares will rank pari passu in all respects with the then existing Shares in issue as to all future dividends and distributions which are declared, made or paid after the date of the allotment and issue of the Rights Shares.

Rights of Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. According to the Company's latest information, there are about 10 Shareholders whose registered addresses as shown in the register of members of the Company are outside Hong Kong with an aggregate shareholding percentage of approximately 0.004%. The Company is making enquiries regarding the applicable legal restrictions and regulatory requirements of the relevant places outside Hong Kong in connection with extending the Rights Issue to the Overseas Shareholders. If, after making such enquiries, the Directors are of the opinion that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders having regard to legal restrictions under the laws of the relevant places outside Hong Kong or the requirements of the relevant regulatory body or stock exchange in those places, no provisional allotment of nil paid Rights Shares or allotment of fully paid Rights Shares will be made to these Overseas Shareholders. Accordingly, the Rights Shares will not be offered to the Non-Qualifying Shareholders. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but will not send Provisional Allotment Letters and Excess Application Forms to them.

The Company will make arrangements for the Rights Shares, which would otherwise have been provisionally allotted to any Non-Qualifying Shareholders there may be, to be sold in the market in their nil-paid form as soon as practicable after dealing in the nil-paid Rights Shares commences, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses, of more than HK\$100 will be paid to the Non-Qualifying Shareholders in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold Rights Shares to which the Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders.

Fractional Entitlement to the Rights Shares

Fractional entitlements to Rights Shares will not be provisionally allotted and will be rounded down to the nearest whole number. Rights Shares representing the aggregate of fractions of Rights Shares (rounded down to the nearest whole number) will be provisionally allotted to a nominee appointed by the Company and, if a premium (net of expenses) can be obtained, will be sold by the Company or its appointed nominee and the net proceeds of sale will be retained by the Company for its own benefit. Any unsold fractions of Rights Shares will be available for excess application.

Application for excess Rights Shares

Qualifying Shareholders may apply for any unsold entitlements of the Non-Qualifying Shareholders, any unsold fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted, by way of excess application.

Application for excess Rights Shares is made by completing and lodging the Excess Application Form together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for. The Directors will allocate the excess Rights Shares on a fair and equitable basis, but will give preference to topping-up odd lots to whole board lots.

Share Certificates and Refund Cheques

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto at their own risk on or before Friday, 12 May 2006. Refund cheques in respect of wholly or partially unsuccessfully applications for excess Rights Shares are also expected to be posted on or before Friday, 12 May 2006 by ordinary post to the applicants at their own risk.

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

UNDERTAKING BY THE MAJOR SHAREHOLDERS TO ACCEPT THEIR RIGHTS ENTITLEMENT

As at the date of this announcement, the Major Shareholders are together interested in 4,700,014,286 Shares in aggregate, representing approximately 73.35% of the existing issued share capital of the Company, out of which 2,820,008,571 Shares representing approximately 44.01% is owned by Gold Rainbow Int'l Limited, 1,410,004,286 Shares representing approximately 22.01% is owned by Trueway International Limited and 470,001,429 Shares representing approximately 7.33% is owned by Triluck Assets Limited. Each of the Major Shareholders has undertaken to take up its entitlement under the Rights Issue in full. Based on the 2,350,007,142 Rights Shares undertaken to be accepted by the Major Shareholders, assuming no other Qualifying Shareholders take up their entitlements under the Rights Issue, the Rights Issue will raise a minimum amount of net proceeds of approximately HK\$1,512,000,000.

The Rights Issue will proceed on a non-underwritten basis. The Major Shareholders have indicated that they may apply by way of excess application for part or all of Rights Shares provisionally allotted but not accepted, any unsold entitlements of the Non-Qualifying Shareholders and any unsold fractional entitlements to Rights Shares.

Subject to fulfillment of the conditions of the Rights Issue as further described below, the Rights Issue will proceed irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Assuming that (a) the Rights Issue proceeds and is completed and (b) the Major Shareholders have taken up their respective entitlements under the Rights Issue in full, the shareholding structure of the Company and the interests of the Major Shareholders in the issued share capital of the Company before and after completion of the Rights Issue will be as follows:

Shareholders	No. of Shares beneficially owned as at the date of this Announcement	Percentage of shareholding before the Rights Issue	No. of Shares beneficially owned after completion of the Rights Issue assuming that all Shareholders have taken up their entitlements in full	Percentage of shareholding after the Rights Issue	No. of Shares beneficially owned after completion of the Rights Issue assuming that none of the Shareholders other than the Major Shareholders have taken up their entitlements and the Major Shareholders are allotted the unaccepted Rights Shares on a pro-rata basis	Percentage of shareholding after the Rights Issue	No. of Shares beneficially owned after completion of the Rights Issue assuming that none of the Shareholders other than the Major Shareholders have taken up their entitlements and the Major Shareholders do not take up the unaccepted Rights Shares	Percentage of shareholding after the Rights Issue
Gold Rainbow Int'l Limited	2,820,008,571	44.01%	4,230,012,856	44.01%	4,742,223,051	49.35%	4,230,012,856	48.30%
Trueway International Limited	1,410,004,286	22.01%	2,115,006,429	22.01%	2,371,111,526	24.67%	2,115,006,429	24.15%
Triluck Assets Limited	470,001,429	7.33%	705,002,143	7.33%	790,370,508	8.22%	705,002,143	8.05%
Certain Directors or their associates and a management shareholder	414,386,414	6.47%	621,579,621	6.47%	414,386,414	4.31%	414,386,414	4.73%
Sub-total	5,114,400,700	79.82%	7,671,601,049	79.82%	8,318,091,499	86.55%	7,464,407,842	85.23%
Public	1,292,980,900	20.18%	1,939,471,350	20.18%	1,292,980,900	13.45%	1,292,980,900	14.77%
Total	6,407,381,600	100%	9,611,072,399	100%	9,611,072,399	100%	8,757,388,742	100%

RESTORATION OF PUBLIC FLOAT

As shown in the above table of shareholding structure of the Company, assuming none of the Qualifying Shareholders take up any provisional allotment of Rights Shares except that the Major Shareholders take up all their entitlements under the Rights Issue (being 2,350,007,142 Rights Shares) and their excess applications for the rest of the Rights Shares (being 853,683,658 Rights Shares), the public float of the Shares will drop to approximately 13.45% upon completion of the Rights Issue. If none of the Qualifying Shareholders take up any provisional allotment of Rights Shares and only the Major Shareholders take up all their entitlements under the Rights Issue but not any excess Rights Shares, the public float of the Shares will drop to approximately 14.77% upon completion of the Rights Issue.

The Company will take appropriate measures to maintain the 20% minimum public float before completion of the Rights Issue.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon, among other things, each of the following events happening:

- (i) the delivery by or on behalf of the Company of one copy of each of the Prospectus Documents duly certified by two Directors or their authorised agents as having been approved by resolution of the board of Directors together with any requisite accompanying documents to the Stock Exchange and the Registrar of Companies of Hong Kong for filing and registration in accordance with the provisions of the Companies Ordinance (Chapter 32, Laws of Hong Kong) not later than the Allotment Posting Date;
- (ii) the posting of the Prospectus to the Shareholders and the posting of the Provisional Allotment Letters and the Excess Application Forms to the Qualifying Shareholders not later than the Allotment Posting Date, or such later date as the Company may (subject, if required, to the approval of the Stock Exchange) determine; and
- (iii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares, in their nil-paid and fully-paid forms, by not later than in the case of Rights Shares in nil-paid form, the first day of dealings in nil-paid Rights Shares and in the case of Rights Shares in fully-paid form, the first day of dealings in fully-paid Rights Shares.

If any of the conditions referred to above are not fulfilled or waived in whole or in part by the Company on or before 5.00 p.m. on 9 May 2006 being the long stop date for fulfillment of the conditions, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed accordingly.

Further details as regards the Rights Issue will be contained in the Prospectus which are expected to be dispatched to the Shareholders on or about 13 April 2006.

WARNING OF THE RISKS OF DEALING

Existing Shares are expected to be dealt in on an ex-rights basis from Thursday, 6 April 2006. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 19 April 2006 to Friday, 28 April 2006 (both days inclusive). If the conditions of the Rights Issue (see the section headed “Conditions of the Rights Issue” above) are not fulfilled, the Rights Issue will not proceed.

Any buying or selling of the Shares from now up to the date on which all such conditions to which the Rights Issue is subject are fulfilled, and any buying or selling of nil-paid Rights Shares, is at investors’ own risk.

If in any doubt, investors should consider obtaining professional advice.

REASONS FOR THE RIGHTS ISSUE AND USE OF THE PROCEEDS

In terms of long-term business development, the Group continues its dual strategies of growing the business organically and actively undertaking acquisitions. Furthermore, the Group continues to invest in research and development and product development. In this regard, the Directors consider that the Rights Issue will enlarge the capital base and strengthen the financial position of the Company so as to facilitate the Company's plans to further expand organically and by acquisition. Furthermore, the Directors consider that it is in the interests of the Company and its shareholders as a whole to raise capital by way of the Rights Issue which will allow all Shareholders to participate in the growth and future development of the Company on equal terms. The Company did not engage in any fund raising exercise during the 12 months immediately preceding the date of this announcement.

Based on 3,203,690,800 Rights Shares proposed to be issued, the net proceeds from the Rights Issue is currently expected to be approximately HK\$2,067,000,000 and will be used for general working capital, research and development and acquisitions. The Company has not yet decided on how to allocate the net proceeds from the Rights Issue for each of the intended uses. As part of the normal business activities of the Group, different acquisition proposals are under review by the Group from time to time.

TIMETABLE OF THE RIGHTS ISSUE

The expected timetable for the Rights Issue is set out below:

	<i>2006</i>
Last day of dealings in Shares on a cum-rights basis	Tuesday, 4 April
First day of dealings in Shares on an ex-rights basis	Thursday, 6 April
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:00 p.m. on Friday, 7 April
Book closure period (both days inclusive)	Monday, 10 April to Thursday, 13 April
Record Date	Thursday, 13 April

Prospectus Documents expected to be despatched on	Thursday, 13 April
First day of dealings in nil-paid Rights Shares	Wednesday, 19 April
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Tuesday, 25 April
Last day of dealings in nil-paid Rights Shares	Friday, 28 April
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Thursday, 4 May
Rights Issue expected to become unconditional at or before	5:00 p.m. on Tuesday, 9 May
Announcement of results of the Rights Issue	Thursday, 11 May
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be despatched on or before	Friday, 12 May
Certificates for fully-paid Rights Shares expected to be despatched on or before	Friday, 12 May
Dealings in fully-paid Rights Shares expected to commence on	Monday, 15 May

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company. Any changes to the anticipated timetable for the Rights Issue will be published to Shareholders appropriately.

ADJUSTMENTS TO OPTIONS GRANTED BY THE COMPANY

Up to the date of this announcement, 18,174,700 Options have been granted by the Company under the Share Option Scheme which are outstanding, of which 15,766,900 Options are exercisable and entitle the holders thereof to subscribe for in aggregate 15,766,900 Shares.

The Rights Issue will cause adjustments to the subscription price and the number of Shares to be issued under the outstanding Options. The Company will instruct its auditors to review and certify the basis of such adjustments pursuant to the Share Option Scheme. The adjustments to the Options shall be made pursuant to the Share Option Scheme and in compliance with the GEM Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005. The Company will inform the holders of the Options of such adjustments accordingly by written notice to each of the holders.

PRINCIPAL BUSINESS OF THE COMPANY

The Company acts as an investment holding company. Its subsidiaries are principally engaged in research and development, manufacturing, commercialization, marketing and selling of environmental and human health products, as well as investment in various financial and investment products.

DEFINITIONS

“Allotment Posting Date”	the date on which the Prospectus Documents are despatched
“Company”	CK Life Sciences Int’l., (Holdings) Inc., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Directors”	the directors of the Company
“Excess Application Form”	the form of application for excess Rights Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing committee of the board of directors of the Stock Exchange with responsibility for GEM
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Major Shareholders”	Gold Rainbow Int’l Limited, Trueway International Limited and Triluck Assets Limited which are beneficially interested in approximately 44.01%, 22.01% and 7.33% of the issued share capital of the Company respectively
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on the register of members are in places outside Hong Kong, in respect of whom the Directors consider the exclusion from the Rights Issue to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Options”	share options granted under the Share Option Scheme
“Overseas Shareholders”	Shareholders the registered addresses of which as shown in the register of members of the Company at the close of business on the Record Date are outside Hong Kong
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the Provisional Allotment Letter and the Excess Application Form
“Provisional Allotment Letter”	the provisionally allotment letter to be issued in connection with the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date other than the Non-Qualifying Shareholders
“Record Date”	13 April 2006, the record date by which entitlements to the Rights Issue will be determined
“Rights Issue”	the proposed issue of the Rights Shares on the basis of one Rights Share for every two existing Shares held at a price of HK\$0.65 per Rights Share
“Rights Shares”	3,203,690,800 new Shares proposed to be issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of Shares(s)

“Share(s)”	share(s) of HK\$0.10 each in the existing capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted on 26 June 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.65 per Rights Share
“HK\$”	Hong Kong dollars
“%”	per cent.

By order of the Board
CK Life Sciences Int’l., (Holdings) Inc.
Eirene Yeung
Company Secretary

Hong Kong, 23 March 2006

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 and Dr. Chu Kee Hung; and the Non-executive Directors are 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 is not misleading; (ii) there are no other matters the omission of which would make any statements 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 GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.ck-lifesciences.com.