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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)

**DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTIONS  
CONTINUING CONNECTED TRANSACTIONS**

**(I) RESTRUCTURING OF JOINT VENTURE WITH RED SUN**

The Board announces that on 24 November 2006:

- (i) Rimco Resources Limited, a wholly-owned subsidiary of the Company, entered into the JT Disposal Agreement for the disposal of 8.625% equity interests in Jiangsu Technology to TL for a consideration of RMB9,132,150.
- (ii) Rimco Resources Limited also entered into the NJ Acquisition Agreement with Red Sun for the acquisition of 36.76% equity interests in NJLP for a consideration of RMB9,132,150.
- (iii) MAS, an indirect non wholly-owned subsidiary of the Company, entered into the MASLP Agreement with NJLP pursuant to which MAS will dispose of 92% equity interests in MASLP to NJLP for a consideration of RMB15,437,600.

The transaction under the JT Disposal Agreement constitutes a discloseable transaction for the Company pursuant to Chapter 19 of the GEM Listing Rules as the relevant percentage ratios are more than 5% but less than 25% and such transaction is subject to announcement and circular requirements under Rule 19.33 of the GEM Listing Rules.

Red Sun is the substantial shareholder of Jiangsu Technology (which is a subsidiary of the Company as at the time of signing the JT Disposal Agreement) and NJLP is a subsidiary of Red Sun. Both Red Sun and NJLP are therefore connected persons of the Company under the GEM Listing Rules. The transactions under the NJ Acquisition Agreement and MASLP Agreement constitute connected transactions for the Company under the GEM Listing Rules. As both the NJ Acquisition Agreement and the MASLP Agreement are on normal commercial terms and the relevant percentage ratios are more than 0.1% but less than 2.5%, such connected transactions are according to Rule 20.32 of the GEM Listing Rules only subject to the reporting and announcement requirements set out in Rules 20.45 to 20.47 of the GEM Listing Rules.

## (II) CONTINUING CONNECTED TRANSACTIONS

On 20 September 2004, the Company entered into the Existing Framework Agreement with Red Sun to govern the rights and obligations of the parties regarding the sales of fertilizers by members of the Group to members of the Red Sun Group. The sales of fertilizers by members of the Group to members of the Red Sun Group constituted continuing connected transactions for the Company under the GEM Listing Rules. Details of the Existing Framework Agreement were disclosed in the announcement and circular of the Company dated 20 September 2004 and 11 October 2004 respectively. As the Existing Framework Agreement will expire on 31 December 2006, the Company has entered into the New Framework Agreement for a term of three years commencing from 1 January 2007 to govern the rights and obligations of the parties regarding the sales and purchases of fertilizers and related agricultural products and provision of ancillary services between members of the Group and members of the Red Sun Group.

The Board anticipates that the aggregate annual value of sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group as governed by the New Framework Agreement for subsequent years will be of an amount exceeding the threshold under Rule 20.34 of the GEM Listing Rules and will be subject to the disclosure requirement and independent Shareholders' approval under the GEM Listing Rules.

The Company has obtained a written certificate of approval from a closely allied group of Shareholders relating to the transactions contemplated under the New Framework Agreement. Accordingly, the Company has applied to the Stock Exchange for a waiver pursuant to Rule 20.43 of the GEM Listing Rules that no extraordinary general meeting is required to be held to consider the sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group under the New Framework Agreement.

A circular containing information relating to the details of the JT Disposal Agreement, the sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group under the New Framework Agreement, a letter from the independent board committee consisting of the Independent Directors and a letter from an independent financial adviser will be despatched to the Shareholders for information purpose as soon as possible.

## **(I) RESTRUCTURING OF JOINT VENTURE WITH RED SUN**

### **(A) JT Disposal Agreement**

Rimco Resources Limited, a wholly-owned subsidiary of the Company, entered into the JT Disposal Agreement with TL. Pursuant to the JT Disposal Agreement, Rimco Resources Limited has agreed to transfer 8.625% equity interests in Jiangsu Technology to TL for a consideration of RMB9,132,150.

(a) Date: 24 November 2006

(b) Parties:

(1) Rimco Resources Limited, a wholly-owned subsidiary of the Company, as seller

(2) TL, as buyer

TL is owned as to 95% by 紅太陽集團有限公司 (Red Sun Group Limited\*). Red Sun Group Limited is a PRC state-owned enterprise. To the best knowledge of the Directors, TL, Red Sun Group Limited and their ultimate beneficial owners are independent third parties which are not connected persons of the Company (as defined in the GEM Listing Rules).

(c) Assets disposed and to be disposed by Rimco Resources Limited:

8.625% equity interests in Jiangsu Technology to be separated in two tranches. Completion of the transfer of the 5.75% equity interests in Jiangsu Technology is expected to take place before the end of November 2006 and the transfer of the remaining 2.875% equity interests in Jiangsu Technology is expected to take place before 30 May 2007. Prior to completion of the disposal of the 5.75% equity interests in Jiangsu Technology, Jiangsu Technology is held as to 52.88% by Rimco Resources Limited. After completion of the disposal of the 5.75% equity interests in Jiangsu Technology pursuant to the JT Disposal Agreement, the indirect interests of the Company in Jiangsu Technology will be reduced to 47.13% and Jiangsu Technology will cease to be a subsidiary of the Company and will be equity accounted for as an associated company in the accounts of the Group. After completion of the disposal of 2.875% equity interests in Jiangsu Technology pursuant to the JT Disposal Agreement, the Company's indirect interests in Jiangsu Technology will be further reduced to 44.255%.

(d) Consideration:

RMB9,132,150 was arrived at after arm's length negotiations between Rimco Resources Limited and TL and by reference to the registered capital of Jiangsu Technology. Pursuant to the JT Disposal Agreement, TL: (i) shall pay Rimco Resources Limited RMB6,088,100, being consideration for 5.75% equity interests in Jiangsu Technology, upon completion of the transfer of 5.75% equity interests in Jiangsu Technology; and (ii) shall pay Rimco Resources Limited RMB3,044,050, being consideration for 2.875% equity interests in Jiangsu Technology, upon completion of the transfer of 2.875% equity interests in Jiangsu Technology before 30 May 2007. The payment of consideration by TL is separated by two tranches because of TL's internal investment restriction. Rimco Resources Limited will apply the said sum of RMB6,088,100 for settlement of the RMB6,088,100 payable by Rimco Resources Limited under the NJ Acquisition Agreement and Rimco Resources Limited will apply the remaining balance of RMB3,044,050 payable by TL under the JT Disposal Agreement for settlement of the remaining balance of RMB3,044,050 payable by Rimco Resources Limited under the NJ Acquisition Agreement. The Group will not record any gain or loss as a result of the completion of the JT Disposal Agreement.

(e) Information on Jiangsu Technology:

The business operations of Jiangsu Technology are manufacturing and selling of fertilizers. As at the time of signing the JT Disposal Agreement, Jiangsu Technology is owned as to 52.88% by Rimco Resources Limited and as to 47.12% by Red Sun. Red Sun has also agreed to transfer 2.875% equity interests in Jiangsu Technology to TL for a consideration of RMB3,044,050, as a result of which and upon completion of the JT Disposal Agreement, Jiangsu Technology will be owned as to 11.5% by TL. The existing board of directors of Jiangsu Technology comprises 4 directors appointed by Rimco Resources Limited and 3 directors appointed by Red Sun. Upon completion of the disposal of interests in Jiangsu Technology by Rimco Resources Limited and Red Sun to TL, the board of directors of Jiangsu Technology will comprise 4 directors appointed by each of Rimco Resources Limited and Red Sun and 1 director to be appointed by TL.

The net asset value of Jiangsu Technology as at 31 December 2005 was approximately RMB105,620,000. The net profit before taxation and extraordinary items for the year ended 31 December 2004 was approximately RMB660,000 and the net loss before taxation and extraordinary items for the year ended 31 December 2005 was approximately RMB723,000. The net profit after taxation and extraordinary items for the year ended 31 December 2004 was approximately RMB417,000 and the net loss after taxation and extraordinary items for the year ended 31 December 2005 was approximately RMB877,000. The above financial information of Jiangsu Technology are based on audited consolidated accounts of Jiangsu Technology prepared in accordance with PRC accounting standards and have been converted in accordance with Hong Kong accounting standards.

**(B) NJ Acquisition Agreement**

Rimco Resources Limited also entered into the NJ Acquisition Agreement with Red Sun for the acquisition of 36.76% equity interests in NJLP for a consideration of RMB9,132,150.

(a) Date: 24 November 2006

(b) Parties:

(1) Rimco Resources Limited, a wholly-owned subsidiary of the Company, as buyer

(2) Red Sun, as seller

Red Sun is a substantial shareholder holding 47.12% equity interests of Jiangsu Technology (which is a subsidiary of the Company as at the time of signing the JT Disposal Agreement) and is therefore a connected person of the Company under the GEM Listing Rules.

(c) Assets to be acquired:

36.76% equity interests in NJLP to be separated in two tranches. The transfer of the 24.51% equity interests in NJLP is expected to be completed before the end of November 2006 and the transfer of the remaining 12.25% equity interests in NJLP is expected to be completed before 30 May 2007. After completion of the transfer of the 24.51% equity interests in NJLP pursuant to the NJ Acquisition Agreement, NJLP will become a subsidiary of the Company.

The original purchase cost of Red Sun for the 36.76% equity interests in NJLP was about RMB9,132,150.

(d) Consideration:

RMB9,132,150 was arrived at after arm's length negotiations between Rimco Resources Limited and Red Sun and by reference to the registered capital of NJLP. Pursuant to the NJ Acquisition Agreement, Rimco Resources Limited: (i) shall pay Red Sun RMB6,088,100, being consideration for 24.51% equity interests in NJLP, upon completion of the transfer of 24.51% equity interests in NJLP; and (ii) shall pay Red Sun the remaining balance of RMB3,044,050, being consideration for 12.25% equity interests in NJLP, upon completion of the transfer of 12.25% equity interests in NJLP before 30 May 2007. Rimco Resources Limited will apply the sum of RMB6,088,100 to be received from TL pursuant to the JT Disposal Agreement for settlement of the RMB6,088,100 payable by Rimco Resources Limited under the NJ Acquisition Agreement and Rimco Resources Limited will apply the remaining balance of RMB3,044,050 to be received from TL pursuant to the JT Disposal Agreement for settlement of the remaining balance of RMB3,044,050 payable by Rimco Resources Limited under the NJ Acquisition Agreement. The JT Disposal Agreement, the NJ Acquisition Agreement and the MASLP Agreement are not inter-conditional. It is expected that the JT Disposal Agreement and the NJ Acquisition Agreement will be completed simultaneously.

(e) Information on NJLP:

The business operations of NJLP are manufacturing and selling of fertilizers and the related businesses. As at the time of signing the NJ Acquisition Agreement, NJLP is owned as to 40% by Rimco Resources Limited and 60% by Red Sun and is currently accounted for as an associated company in the accounts of the Group. After completion of the transfer of 24.51% interests in NJLP, NJLP will become a subsidiary of Rimco Resources Limited and will be consolidated in the accounts of the Group as a subsidiary. Pursuant to the MASLP Agreement, NJLP will acquire 92% of the equity interests in MASLP.

The net asset value of NJLP as at 31 December 2005 was approximately RMB24,711,000. The net losses before and after taxation and extraordinary items for the year ended 31 December 2004 were approximately RMB241,000 and RMB242,000 respectively. The net profits before and after taxation and extraordinary items for the year ended 31 December 2005 were both approximately RMB48,000. The above financial information of NJLP are based on audited accounts of NJLP prepared in accordance with PRC accounting standards and have been converted in accordance with Hong Kong accounting standards.

### **(C) MASLP Agreement**

MAS, an indirect non wholly-owned subsidiary of the Company, entered into the MASLP Agreement with NJLP pursuant to which MAS will dispose of 92% equity interests in MASLP to NJLP for a consideration of RMB15,437,600.

- (a) Date: 24 November 2006
- (b) Parties:
  - (1) MAS, an indirect non wholly-owned subsidiary of the Company, as seller
  - (2) NJLP, a subsidiary of Red Sun and is therefore a connected person of the Company under the GEM Listing Rules, as buyer
- (c) Assets to be disposed:

92% equity interests in MASLP. After completion of both the NJ Acquisition Agreement and the MASLP Agreement, MASLP will become an indirect subsidiary of the Company.

- (d) Consideration:

RMB15,437,600 was arrived at after arm's length negotiations between MAS and NJLP and by reference to the registered capital of MASLP upon incorporation. The consideration will be paid in full by NJLP by cash from internal resources upon completion of the incorporation of MASLP and the injection of the Production Line and working capital in MASLP by Jiangsu Technology. The proceeds from the disposal will be retained by MAS as general working capital. The Group will not record any gain or loss as a result of the completion of the MASLP Agreement.

(e) Information on MASLP:

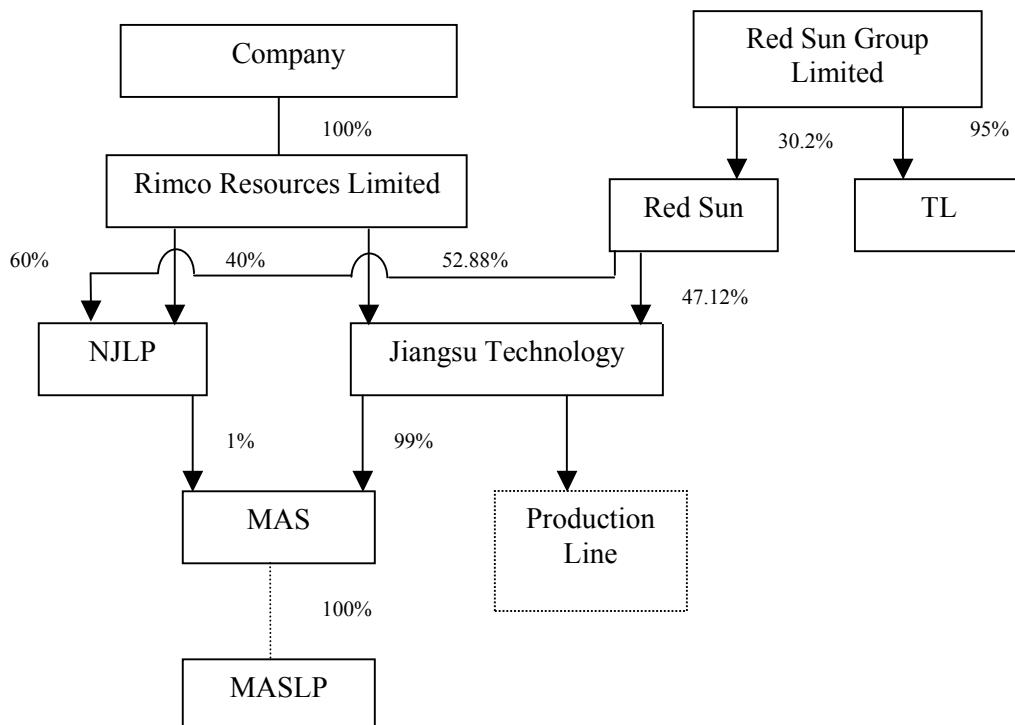
The incorporation process of MASLP has not been completed as at the date of this announcement. MAS is in the process of incorporating MASLP as its wholly-owned subsidiary and is pending the approval by the relevant PRC authority. After the incorporation of MASLP, Jiangsu Technology will inject the Production Line of RMB11,730,000 and working capital in the amount of RMB5,050,000 into MASLP through MAS which is expected to commence before the end of January 2007 and to complete before the end of March 2007. After the injection of the Production Line and working capital into MASLP through MAS, the equity interests of Jiangsu Technology in MAS will be increased from 99% to 99.23% and NJLP's equity interests in MAS will be reduced from 1% to 0.77%. The Production Line is mainly for the manufacture and production of a series of organic fertilizers known as NutriSmart®. Completion of the MASLP Agreement is expected to take place before the end of May 2007.

MAS is an indirect subsidiary of the Company. After completion of the JT Disposal Agreement, MAS will cease to be a subsidiary of the Company and will account for as an associated company in the accounts of the Group.

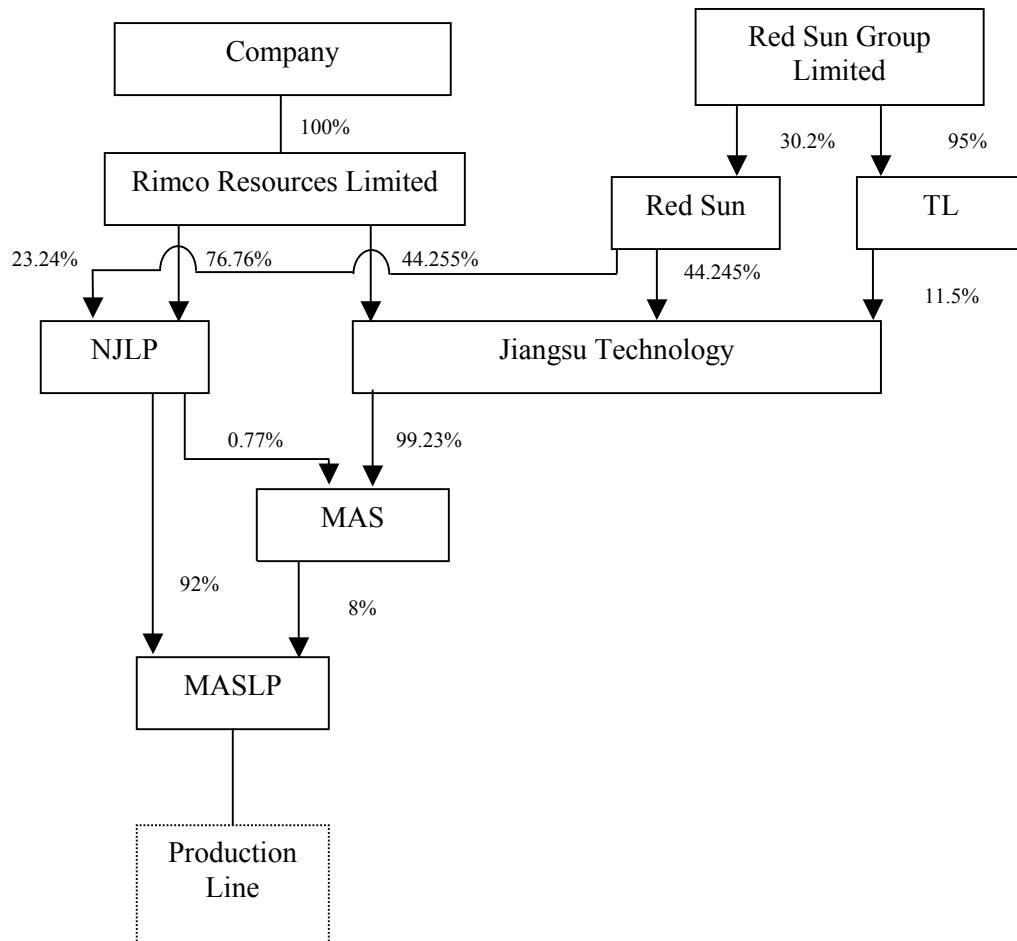
**(D) Relationship between the Company, Red Sun and NJLP**

The relationship between the Company, Red Sun and NJLP before and after completion of the JT Disposal Agreement, the NJ Acquisition Agreement and the MASLP Agreement are as follows:

**Before completion of the JT Disposal Agreement, the NJ Acquisition Agreement and the MASLP Agreement but after the incorporation of MASLP:**



**After completion of all the terms and conditions of the JT Disposal Agreement, the NJ Acquisition Agreement and the MASLP Agreement:**



As at the time of signing the JT Disposal Agreement, Jiangsu Technology is indirectly owned as to 52.88% by the Company and as to 47.12% by Red Sun. Red Sun is accordingly a substantial shareholder (as defined in the GEM Listing Rules) of a subsidiary of the Company and hence a connected person of the Company under the GEM Listing Rules. As NJLP is a subsidiary of Red Sun, both Red Sun and NJLP are connected persons of the Company under the GEM Listing Rules.

#### **(E) Reasons for the restructuring of the joint venture with Red Sun**

The Group has been manufacturing and producing specially formulated eco-fertilizers known as NutriSmart® for many years. The Red Sun Group has an extensive distribution network in the PRC for the sales of agricultural products. The restructuring will enable the two groups to concentrate on their respective strengths: manufacturing and producing specially formulated eco-fertilizers on the one hand, and sales and distribution of fertilizers on the other hand. The new structure will allow each group to deploy resources more effectively. Both the Group and the Red Sun Group will gain from the improved operation efficiency after the restructuring. The Group has no present intention to dispose any of its remaining interests in Jiangsu Technology and MASLP after completion of the JT Disposal Agreement and the MASLP Agreement.

The terms of the JT Disposal Agreement, the NJ Acquisition Agreement and the MASLP Agreement were arrived at after arm's length negotiations among Rimco Resources Limited, TL, Red Sun, MAS, and NJLP. The Directors (including the Independent Directors) considered that the JT Disposal Agreement, the NJ Acquisition Agreement and the MASLP Agreement to be in the interests of the Company and the Shareholders, were on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders.

### **(II) CONTINUING CONNECTED TRANSACTIONS**

#### **(A) Existing Framework Agreement**

On 20 September 2004, the Company entered into the Existing Framework Agreement with Red Sun to govern the rights and obligations of the parties regarding the sales of fertilizers by members of the Group to members of the Red Sun Group. The sales of fertilizers by members of the Group to members of the Red Sun Group constituted continuing connected transactions for the Company under the GEM Listing Rules. Details of the Existing Framework Agreement were disclosed in the announcement and circular of the Company dated 20 September 2004 and 11 October 2004 respectively. As the Existing Framework Agreement will expire on 31 December 2006, the Company has entered into the New Framework Agreement for a term of three years commencing from 1 January 2007 to govern the rights and obligations of the parties regarding the sales and purchases of fertilizers and related agricultural products and provision of ancillary services between members of the Group and members of the Red Sun Group.

The cap amount of the transactions under the Existing Framework Agreement for the three years ending 31 December 2006 (as mentioned in the announcement and circular of the Company dated 20 September 2004 and 11 October 2004 respectively) are HK\$79,000,000, HK\$270,000,000 and HK\$431,000,000 respectively. The aggregate actual amount of the transactions pursuant to the Existing Framework Agreement for each of the two financial years ended 31 December 2005 are approximately RMB81,744,000 (approximately HK\$76,839,360) and RMB124,157,000 (approximately HK\$117,949,150) respectively. The amount of the transactions pursuant to the Existing Framework Agreement for the ten months up to 31 October 2006 is approximately RMB101,700,000 (approximately HK\$99,000,000). The actual amount of transactions pursuant to the Existing Framework Agreement for each of the two years and ten months ended 31 October 2006 are within the relevant cap.

**(B) New Framework Agreement**

The Group and the Red Sun Group will continue to enter into transactions of a nature similar to the transactions under the Existing Framework Agreement after the expiry of the Existing Framework Agreement on 31 December 2006. It is also expected that members of the Group may also purchase fertilizers and related agricultural products and provide ancillary services from or to members of the Red Sun Group and vice versa. Details of the New Framework Agreement are as follows:

(a) Parties to the New Framework Agreement:

- (i) the Company
- (ii) Red Sun

(b) Terms of the New Framework Agreement:

Members of the Group and members of the Red Sun Group may sell or purchase fertilizers and related agricultural products and provide ancillary services to or from each other by entering into individual sales contracts. The sales prices are determined based on arm's length negotiations and with reference to the prevailing market prices.

The New Framework Agreement shall commence on 1 January 2007 and will expire on 31 December 2009. Upon expiry of the New Framework Agreement, the parties will, subject to the conditions prevailing at that time, consider renewing the New Framework Agreement or entering into a new agreement, and will, if appropriate, use their best efforts to renew the New Framework Agreement or enter into a new agreement with each other on terms to be mutually agreed, subject to compliance with all applicable laws and regulatory rules.

The Board anticipates that the aggregate annual value of sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group as governed by the New Framework Agreement for subsequent years will be of an amount exceeding the threshold under Rule 20.34 of the GEM Listing Rules and will be subject to the disclosure requirement and independent Shareholders' approval under the GEM Listing Rules.

Based on the projections for the three years ending 31 December 2009, the respective proposed caps for the sales and purchases of fertilizers and related agricultural products and the provision of ancillary services pursuant to the New Framework Agreement are as follows:

	For the year ending 31 December 2007	For the year ending 31 December 2008	For the year ending 31 December 2009
Caps:	HK\$147,000,000	HK\$173,000,000	HK\$200,000,000

The cap amounts mentioned above are determined by reference to, among other matters, (i) the sales of fertilizers under the Existing Framework Agreement; (ii) the anticipated growth in the sales and purchases of fertilizers; (iii) the Group's demand for blended fertilizers from the Red Sun Group; (iv) the Group's exports of fertilizers to overseas markets; (v) sales and purchases of other agricultural products; and (vi) processing, production, blending, sourcing, packaging, leasing of equipments and/or land for production and related purposes, training, use of proprietary technology, IT system, quality analysis and control, administrative support and other services ancillary to the foregoing activities.

On 24 November 2006, the Company received a written approval on the sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group pursuant to the New Framework Agreement from a closely allied group of Shareholders, namely Gold Rainbow Int'l Limited, Trueway International Limited and Triluck Assets Limited which have no interests in the New Framework Agreement other than through their equity interests in the Company. The shareholding interests of Gold Rainbow Int'l Limited, Trueway International Limited and Triluck Assets Limited in the Company are 4,258,634,570 Shares (representing approximately 44.30%), 2,119,318,286 Shares (representing approximately 22.05%) and 716,441,429 Shares (representing approximately 7.45%) respectively. Gold Rainbow Int'l Limited is an indirect wholly-owned subsidiary of CKH. Trueway International Limited and Triluck Assets Limited are both wholly-owned by Li Ka Shing Foundation Limited. No Shareholder is required to abstain from voting on the relevant resolution should an extraordinary general meeting be held. Accordingly, the Company has applied to the Stock Exchange for a waiver that no extraordinary general meeting is required to be held to consider the sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group under the New Framework Agreement pursuant to Rule 20.43 of the GEM Listing Rules.

### **(C) Reasons for the continuing connected transactions**

The sales and purchases of fertilizers pursuant to the Existing Framework Agreement have been part of the normal commercial activities of the Group. The transactions are also normal business activities of the relevant members of the Red Sun Group, which are distributors or retailers of agricultural products, including fertilizers. Red Sun is a company incorporated in PRC and listed on the Shenzhen Stock Exchange and is held as to 30.2% by 紅太陽集團有限公司 (Red Sun Group Limited\*).

Members of the Group have been selling fertilizers to members of the Red Sun Group for blending with other fertilizers for the past years pursuant to the Existing Framework Agreement and will continue to do so under the New Framework Agreement. As the Group has good direct customer network, the new arrangement of sales by members of the Red Sun Group to members of the Group under the New Framework Agreement will make Red Sun Group's products available for use by some direct customers with large farms.

With the above arrangements and co-operation, each of the members of the Group and the Red Sun Group can make use of its own unique and extensive business operations and networks to help one another to sell and distribute the fertilizer products and related agricultural products and provide ancillary services ultimately to third parties in a more effective and efficient manner. These arrangements will eventually be beneficial to both groups in terms of sales volume and profitability.

The Directors, including the Independent Directors whose view is subject to the advice to be provided by an independent financial adviser, consider that the New Framework Agreement is on normal commercial terms and on terms no less favourable than those available from independent third parties who are not connected persons of the Group as defined in the GEM Listing Rules. The sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group are beneficial to the business and the profitability of the Group. Therefore, the Directors consider the New Framework Agreement and the cap mentioned above to be fair and reasonable and that it is in the interest of the Group to engage in such transactions.

### **(III) GENERAL**

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.

The principal business activities of TL are manufacturing and selling of paint, resins, construction materials, chemical products and the related services and businesses.

Red Sun is a company listed on the Shenzhen Stock Exchange and its principal business activities are manufacturing and selling of fertilizers, pesticides, technical grade materials and the related businesses and services as well as investment management and advisory.

The transaction under the JT Disposal Agreement constitutes a discloseable transaction for the Company pursuant to Chapter 19 of the GEM Listing Rules as the relevant percentage ratios are more than 5% but less than 25% and such transaction is subject to announcement and circular requirements under Rule 19.33 of the GEM Listing Rules. Besides, as the transactions under the NJ Acquisition Agreement and the MASLP Agreement constitute connected transactions for the Company under the GEM Listing Rules and the relevant percentage ratios for the transactions under both agreements are more than 0.1% but less than 2.5%, such connected transactions are only subject to reporting and announcement requirements and are exempt from independent shareholders' approval requirement pursuant to Rule 20.32 of the GEM Listing Rules.

As for the New Framework Agreement, the Company has obtained a written certificate of approval from a closely allied group of Shareholders relating to the transactions contemplated thereunder. Accordingly, the Company has applied to the Stock Exchange for a waiver pursuant to Rule 20.43 of the GEM Listing Rules that no extraordinary general meeting is required to be held to consider the sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group under the New Framework Agreement.

A circular containing information relating to the details of the JT Disposal Agreement, the sales and purchases of fertilizers and related agricultural products and the provision of ancillary services between members of the Group and members of the Red Sun Group under the New Framework Agreement, a letter from the independent board committee consisting of the Independent Directors and a letter from an independent financial adviser will be despatched to the Shareholders for information purpose as soon as possible.

## **DEFINITIONS**

“Board”	the board of directors of the Company
“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
“Company”	CK Life Sciences Int'l., (Holdings) Inc., a company incorporated in the Cayman Islands with limited liability

“Directors”	the directors of the Company
“Existing Framework Agreement”	the framework agreement dated 20 September 2004 between the Company and Red Sun
“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 PRC
“Independent Directors”	the independent non-executive directors of the Company from time to time
“Jiangsu Technology”	江蘇科邦生態肥有限公司 (Jiangsu Technology Union Eco-fertilizer Limited), a company incorporated in PRC
“JT Disposal Agreement”	the two sale and purchase agreements both dated 24 November 2006 between Rimco Resources Limited as seller and TL as buyer for the sale by Rimco Resources Limited of a total of 8.625% equity interests in Jiangsu Technology to TL
“MAS”	馬鞍山科邦生態肥有限公司 (Maanshan Technology Union Eco-Fertilizer Limited*), a company incorporated in PRC
“MASLP”	a company to be incorporated in PRC under the proposed name of 馬鞍山綠邦生態肥有限公司 (Maanshan Green Union Eco-Fertilizer Limited*) as a holding company of the Production Line
“MASLP Agreement”	the sale and purchase agreement dated 24 November 2006 between MAS as seller and NJLP as buyer for the sale and purchase of 92% equity interests in MASLP
“New Framework Agreement”	the framework agreement dated 24 November 2006 between the Company and Red Sun

“NJ Acquisition Agreement”	the two sale and purchase agreements both dated 24 November 2006 between Rimco Resources Limited as buyer and Red Sun as seller for the sale and purchase of a total of 36.76% equity interests in NJLP
“NJLP”	南京綠邦生態科技有限公司 (Nanjing Green Union Eco-Technology Limited), a company incorporated in PRC
“PRC”	the People's Republic of China
“Production Line”	the production line for manufacturing, blending, mixing, packaging of NutriSmart® brand of fertilizers and using the technology of the Group to produce eco-fertilizers with or without NutriSmart®
“Red Sun”	南京紅太陽股份有限公司 (Nanjing Red Sun Stock Co Ltd*), a company incorporated in PRC and listed on the Shenzhen Stock Exchange
“Red Sun Group”	Red Sun, its subsidiaries and associates (as defined in the GEM Listing Rules)
“RMB”	the lawful currency of PRC
“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
“TL”	江蘇長江塗料有限公司 (Jiangsu Chang Jiang Painting Material Company Limited*), a company incorporated in PRC

\*names translated for reference purpose only.

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

Hong Kong, 24 November 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 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 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).*