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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**

**in respect of**

**the acquisition of the entire issued share capital of Accensi Pty Ltd**

On 25 October 2007 after trading hours, Isnecca (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Guarantors and A&C Chemicals, which is and the ultimate beneficial owners of which are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules), whereby Isnecca agreed to acquire the Sale Shares at a consideration of A\$30,000,000 in cash, subject to certain deductions and adjustments.

The Acquisition contemplated in the Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. A circular containing further information about the Acquisition will be despatched to the shareholders of the Company as soon as practicable.

### **THE AGREEMENT**

Date: 25 October 2007

- Parties:
- (i) Isnecca
  - (ii) A&C Chemicals
  - (iii) the Guarantors

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, A&C Chemicals and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

### **ASSETS TO BE ACQUIRED**

The Sale Shares (being 100 Accensi Shares) representing the entire issued share capital of Accensi.

### **CONSIDERATION**

The consideration for the acquisition of the Sale Shares is A\$30,000,000 (subject to certain deductions and adjustments), which will be settled in cash on completion of the Acquisition.

The consideration will be satisfied by the Group's internal resources.

### **CONDITIONS**

Completion of the Acquisition is conditional upon the following:

- (i) the senior management employees of Accensi having entered into full-time service agreements with Accensi for a term of at least one (1) year from completion of the Agreement, in a form acceptable to Isnecca;
- (ii) approval of the board of Isnecca (or Isnecca's parent company, as the case may be) to the sale and purchase of the Sale Shares under the Agreement;
- (iii) no event having occurred prior to the Completion Date of the Agreement which, in the opinion of Isnecca, has had or is likely to have, a material adverse effect;
- (iv) there being no breach of any of the warranties prior to the Completion Date of the Agreement;

- (v) A&C Chemicals providing Isnecca prior to the Completion Date of the Agreement with evidence satisfactory to Isnecca that all necessary consents (including for change of control) have been received in connection with:
  - (a) the sale and purchase of the Sale Shares pursuant to the Agreement, including any consents required under contracts with customers of Accensi;
  - (b) the key agreements; and
  - (c) any approvals (including the Queensland Environmental Protection Agency licences held by Accensi);
- (vi) A&C Chemicals providing evidence of release of the Sale Shares and as applicable the assets of Accensi from any encumbrance to which they are subject on or before completion of the Agreement;
- (vii) Accensi and A&C Chemicals having entered into assignments of the lease agreements in respect of the properties at Kwinana and Narangba subject to and upon completion of the Agreement;
- (viii) all assets used in the conduct of the business but owned by entities within the A&C Chemicals group other than Accensi having been transferred to Accensi at no cost to Accensi;
- (ix) Isnecca's financial advisor having completed a review to Isnecca's satisfaction of:
  - (a) the adequacy of the working papers of Accensi's auditor in respect of the year ended 30 June 2007, and having concluded that there is no material difference from the management accounts; and
  - (b) Accensi's tax position, and having concluded that no materially adverse matters arise from such review;
- (x) A&C Chemicals has provided Isnecca prior to the Completion Date of the Agreement with evidence satisfactory to Isnecca that any incentive scheme in which the senior executives of Accensi participate has been terminated, at no cost to Accensi;

- (xi) Isnecca being satisfied that the recommendations to remediate the properties at Kwinana and Narangba contained in the report on such properties which have been approved by the Queensland Environmental Protection Agency and that binding arrangements are in place to implement the approved recommendations to the satisfaction of Isnecca at the cost of A&C Chemicals, recognizing that the approval by the Queensland Environmental Protection Agency of the report is legally required before any remediation work commences;
  - (xii) Isnecca's legal advisors having completed a review to Isnecca's satisfaction of the documentation pertaining to and all transactions implemented in connection with the pre-completion restructuring, which occurred prior to the date of the Agreement, and having concluded that no materially adverse matters arise from such review;
  - (xiii) a survey of the properties at Kwinana and Narangba having been completed by a qualified surveyor commissioned by Isnecca, and the survey confirming to the satisfaction of Isnecca that:
    - (a) the buildings on the properties occupied by Accensi are not affected by any material structural defect; and
    - (b) the area of the properties occupied by Accensi in operating its business is accurately reflected in the leases of the properties;
- prior to completion of the sale and purchase of the Sale Shares as contemplated under the Agreement;
- (xiv) Isnecca having made enquiries in respect of potential contamination of the property at Kwinana, and Isnecca being satisfied that no remediation work in respect of the property at Kwinana is required (or if remediation is required, that binding arrangements are in place to implement the remediation to the satisfaction of Isnecca and at the cost of A&C Chemicals);
  - (xv) A&C Chemicals has closed out and discharged, at A&C Chemicals' (not Accensi's) cost, any foreign exchange contracts between Accensi and the Commonwealth Bank of Australia, and arrangements satisfactory to A&C Chemicals and Isnecca have been made with the Commonwealth Bank of Australia to allow Accensi to retain the letters of credit that are not trade finance loans; and

- (xvi) after all the other conditions referred to above (other than the conditions in paragraphs (iii), (iv) and (vi) above which cannot be waived) have been satisfied or waived:
- (a) A&C Chemicals providing full copies of all customer and supplier contracts of Accensi not previously disclosed to Isnecca for review by Isnecca, and Isnecca being satisfied with the contents of those contracts; and
  - (b) A&C Chemicals introducing Isnecca to the key customers and suppliers of Accensi, on the following basis:
    - (1) such introductions must be undertaken in the presence of a representative of A&C Chemicals; and
    - (2) the questions to be asked by Isnecca to the customers and suppliers must be agreed in advance with A&C Chemicals (acting reasonably).

Provided that a party has used all reasonable efforts within its own capacity to ensure that each condition above is fulfilled before 30 November 2007, it may terminate the Agreement by giving notice in writing to the other parties in the event that one or more of the above conditions are not fulfilled (or waived by Isnecca) by 5:00 p.m. on 15 December 2007 (or another date and/or time agreed by Isnecca and A&C Chemicals in writing).

#### **INFORMATION ON ACCENSI, A&C CHEMICALS AND THE GUARANTORS**

Accensi is a company incorporated under the laws of Australia. The principal activity of Accensi is the manufacturing and marketing of plant protection products and soluble fertilizers.

Upon completion of the Acquisition, Accensi will become one of the indirect wholly-owned subsidiaries of the Company and there will be change in directors in Accensi.

A&C Chemicals is a company incorporated under the laws of Australia. The principal activity of A&C Chemicals is investment holding. Prior to the Acquisition, A&C Chemicals was interested in the entire issued share capital of Accensi.

The Guarantors are either the directors or key shareholders of A&C Chemicals.

The Group has taken into account the following factors in determining the consideration for the Acquisition, which was arrived at after arm's length negotiations between the parties: (i) the economic benefits of the transaction to the Group; (ii) the future prospects of the business of Accensi; (iii) the synergistic effects and strategic value of Accensi and its subsidiaries on the future development of the Group; (iv) the potential business opportunities that can be provided to the Group; and (v) the consideration is on a debt-free basis. All the debt will be repaid or waived prior to completion of the Acquisition or corresponding adjustment will be made to the purchase price.

Based on the accounts of Accensi as at 30 June 2007, the audited net asset value of Accensi was approximately A\$2,261,000 (approximately HK\$15,599,000). The audited net profits before taxation and extraordinary items of Accensi for the two years ended 30 June 2006 and 2007 were approximately A\$915,000 (approximately HK\$6,313,000) and approximately A\$2,354,000 (approximately HK\$16,241,000) respectively. The respective audited net profits after taxation and extraordinary items of Accensi for the two years ended 30 June 2006 and 2007 were approximately A\$668,000 (approximately HK\$4,609,000) and approximately A\$1,593,000 (approximately HK\$10,990,000). The above accounts were prepared under the AASB.

The above figures are based on Accensi's audited accounts for 30 June 2007.

There was no prior transaction or relationship between the Group and Accensi and its ultimate beneficial owner(s) that requires aggregation under Rule 19.22 of the GEM Listing Rules.

## **REASONS FOR ENTERING INTO THE ACQUISITION**

The Group intends to expand its business in Australia. Acquisition of Accensi will enable the Group to expand further the geographical coverage, product portfolio, manufacturing capability and customer base of its Australian agriculture business.

The Group did not have any interest in Accensi before the Acquisition. Following completion of the Acquisition, Accensi will become an indirect wholly-owned subsidiary of the Company and will be consolidated into the balance sheet of the Group.

## **GENERAL**

The Directors (including the Independent Non-executive Directors) considered that the Agreement is entered into on normal commercial terms in the ordinary and usual course of business of the Group and that the terms of the Agreement are fair and reasonable and in the best interests of the Group so far as the interests of the shareholders of the Company are concerned.

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 Acquisition contemplated in the Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. A circular containing further information about the Acquisition will be despatched to the shareholders of the Company as soon as practicable.

## **DEFINITIONS**

"A\$"	the lawful currency of Australia
"A&C Chemicals"	A&C Chemicals Pty Ltd, a company incorporated under the laws of Australia
"Acquisition"	the acquisition of the Sale Shares as contemplated in the Agreement
"Agreement"	the share sale and purchase agreement entered into after trading hours on 25 October 2007 between A&C Chemicals, Isnecca and the Guarantors, relating to the Acquisition
"Accensi"	Accensi Pty Ltd, a company incorporated under the laws of Australia
"Accensi Shares"	ordinary share(s) in the share capital of Accensi
"AASB"	Australian Accounting Standards Board
"Board"	the board of directors of the Company

"Company"	CK Life Sciences Int'l., (Holdings) Inc., a company incorporated in the Cayman Islands with limited liability
"Completion Date"	30 November 2007 or such later date as A&C Chemicals and Isnecca may agree in writing
"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
"Guarantors"	Chemicals Investments Pty Ltd, Dean John Corbett, ACP Investments No.1 Pty Ltd, Mark Leonard O'Neill and Anthony Laurence Riddle
"HK\$"	the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Isnecca"	Isnecca Pty Limited, a company incorporated under the laws of Australia
"Sale Shares"	100 Accensi Shares, representing the entire issued share capital of Accensi

For the purpose of illustration only, A\$ to HK\$ is translated at a rate of A\$1.00 to HK\$6.8992.

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

Hong Kong, 25 October 2007



*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.*

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