

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 0775)

DISCLOSEABLE TRANSACTION

DISPOSAL OF ASSETS

On 29 May 2009, Vitaquest LLC, an indirect non-wholly owned subsidiary of the Company, entered into the Asset Purchase Agreement with Windmill LLC, under which Vitaquest LLC has agreed to sell and Windmill LLC has agreed to purchase all of the Transferred Assets for a total consideration of approximately US\$22,200,000. The Asset Purchase Agreement is effective as of 1 June 2009. The Closing occurred on 29 May 2009 and the sale and purchase of the Transferred Assets is effective as of 1 June 2009.

As the applicable percentage ratios exceed 5% but are less than 25%, the transaction contemplated under the Asset Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

ASSET PURCHASE AGREEMENT

Date of Agreement and Effective Date

The Asset Purchase Agreement is dated as of 29 May 2009 and is effective as of 1 June 2009.

Parties

- (i) Vitaquest LLC, as seller
- (ii) Windmill LLC, as purchaser

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Windmill LLC and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

Transferred Assets

Subject to the terms and conditions of the Asset Purchase Agreement, Vitaquest LLC has agreed to sell and Windmill LLC has agreed to purchase all the Transferred Assets, free and clear of all encumbrances and the seller liabilities, which include, amongst other things, all liabilities related to the Business or the Transferred Assets based on or arising out of events or conditions known or in existence on 1 June 2009 or which occurred or arose prior to the Closing Date, and liabilities with respect to employees employed by Vitaquest LLC in relation to the Business relating to events or circumstances occurring prior to the Closing Date.

The Transferred Assets are the assets of WHP used exclusively for the operation and conduct of the Business which include, amongst other things, (a) all of the equipment, machinery, improvements, accounts receivable, inventory, furniture, fixtures and other assets comprising or used in connection with the Business; (b) certain books and records relating to the Business; (c) the trademarks specified under the Asset Purchase Agreement; (d) all goodwill associated with Vitaquest LLC's operation of the Business; (e) certain contracts relating to the Business; and (f) certain lease agreements for automobiles used in the Business.

Windmill LLC will not acquire (i) the accounts payable of WHP as of 1 June 2009; (ii) all cash on hand or cash equivalents of WHP as of 1 June 2009; (iii) all formulas and the intellectual property owned by Vitaquest LLC and used in the Business other than the trademarks as mentioned above; and (iv) all assets of WHP and Vitaquest LLC that are unrelated to the Business.

Consideration

The total consideration for the Disposal was approximately US\$22,200,000, of which:

- (a) US\$600,000 will be satisfied by way of cash at Closing; and
- (b) approximately US\$21,600,000 will be payable in accordance with the terms of the Promissory Note.

The consideration was determined after arm's length negotiations between Vitaquest LLC and Windmill LLC taking into account of the total net book value of the Transferred Assets amounting to approximately US\$20,200,000.

Promissory Note

The payment of the principal of approximately US\$21,600,000 and interest under the Promissory Note shall be made in thirty-six (36) monthly installments on the first day of each calendar month commencing on 1 July 2009. Such payment may be subject to acceleration upon the occurrence of an event of default under the Promissory Note. An interest of five percent (5%) per annum shall accrue on the outstanding principal amount under the Promissory Note.

Security Agreement

As a collateral security for the performance of all liabilities and undertakings of Windmill LLC under, amongst other things, the Promissory Note and the Asset Purchase Agreement, Windmill LLC entered into the Security Agreement with Vitaquest LLC under which Windmill LLC grants to Vitaquest LLC a first position lien and security interest in all assets owned by Windmill LLC which are further defined and particularised under the Security Agreement.

Limited Guaranty

Further, Iron Horse LLC, being the sole member of Windmill LLC, entered into the Limited Guaranty under which Iron Horse LLC irrevocably and unconditionally guarantees to Vitaquest LLC, amongst other things, (i) full payment of all sums due under the Promissory Note; and (ii) full performance of all terms and covenants set forth under the Promissory Note and the Security Agreement.

Pledge Agreement

As a further collateral security for due and punctual payment and performance of, amongst other things, the obligations of Windmill LLC under the Promissory Note and the Security Agreement, Iron Horse LLC entered into the Pledge Agreement under which Iron Horse LLC pledges and grants to Vitaquest LLC a first lien on Iron Horse LLC's 100% of the membership interest in Windmill LLC.

Closing of the Disposal

The Closing occurred on 29 May 2009 and the sale and purchase of the Transferred Assets is effective as of 1 June 2009.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal will enable Vitaquest LLC to focus on its core activity of manufacturing and supplying nutritional supplements for the global market.

The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ON THE PARTIES TO THE AGREEMENTS

The Company

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

Vitaquest LLC

Vitaquest LLC is principally engaged in the supply, formulation and manufacturing of nutritional supplements worldwide.

Iron Horse LLC

Iron Horse LLC acts as an investment holding company. It is the sole member of Windmill LLC.

Windmill LLC

Windmill LLC is principally engaged in the distribution and promotion of nutritional supplements through retail outlets.

GENERAL

Listing Rules Implications

As the applicable percentage ratios exceed 5% but are less than 25%, the transaction contemplated under the Asset Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Financial Impact of the Disposal

The gain of the Disposal is approximately US\$2,000,000, which represents the consideration of the Disposal deducted by (i) the total net book value of the Transferred Assets and (ii) the estimated amount of costs in relation to the Disposal.

The net loss both before and after taxation and extraordinary items attributable to the Transferred Assets for the financial year 2008 was US\$3,492,000. The net loss both before and after taxation and extraordinary items attributable to the Transferred Assets for the financial year 2007 was US\$4,229,000.

Use of Proceeds from the Disposal

The Directors currently intend to use the proceeds from the Disposal as general working capital of the Company and its subsidiaries.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Asset Purchase Agreement” the asset purchase agreement dated as of 29 May 2009 entered into between Vitaquest LLC and Windmill LLC regarding the sale and purchase of the Transferred Assets

“Board”	the board of directors of the Company
“Business”	the business currently carried out by WHP including sale and distribution of health products and nutraceuticals
“Closing”	the closing of the sale and purchase of the Transferred Assets and the other transactions contemplated under the Asset Purchase Agreement
“Closing Date”	29 May 2009, being the closing date pursuant to the Asset Purchase Agreement
“Company”	CK Life Sciences Int’l., (Holdings) Inc., a company incorporated in the Cayman Islands with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Disposal”	the disposal of the Transferred Assets by Vitaquest LLC to Windmill LLC pursuant to the Asset Purchase Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Iron Horse LLC”	Iron Horse Enterprises, LLC, a New Jersey limited liability company
“Limited Guaranty”	the limited guaranty dated as of 1 June 2009 provided by Iron Horse LLC in favour of Vitaquest LLC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Pledge Agreement”	the membership interest pledge and security agreement dated as of 29 May 2009 made by Iron Horse LLC in favour of Vitaquest LLC
“Promissory Note”	the secured promissory note dated as of 1 June 2009 provided by Windmill LLC to Vitaquest LLC in the principal sum of approximately US\$21,600,000

“Security Agreement”	the security agreement dated as of 1 June 2009 between Windmill LLC and Vitaquest LLC
“Transferred Assets”	the assets of WHP used exclusively for the operation and conduct of the Business to be transferred pursuant to the Asset Purchase Agreement
“US”	the United States of America
“Vitaquest LLC”	Vitaquest International LLC, an indirect non wholly-owned subsidiary of the Company, being a limited liability company established under the laws of the state of Delaware, US
“WHP”	Windmill Health Products, a division of Vitaquest LLC
“Windmill LLC”	Windmill Health Products, LLC, a New Jersey limited liability company
“US\$”	the lawful currency of US
“%”	per cent

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

Hong Kong, 1 June 2009

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).