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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: 0775)

DISCLOSEABLE TRANSACTION
in respect of
the acquisition of the Qualco West Vineyard

The Board is pleased to announce that on 20 September 2011, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreements with, inter alia, the Vendor for the acquisition of the Qualco West Vineyard for a Consideration of AUD10,600,010 (equivalent to approximately HK\$84,625,000).

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 20 September 2011, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreements with, inter alia, the Vendor for the acquisition of the Qualco West Vineyard, which comprises (i) the Land and (ii) the Water Licence. Set out below are the principal terms of the Land Acquisition Agreement and the Share Acquisition Agreement in respect of the Land and the Water Licence respectively. Settlement of the Land Acquisition Agreement is subject to the concurrent completion of the Share Acquisition Agreement, and vice versa.

THE ACQUISITION AGREEMENTS

(I) Land Acquisition Agreement

Date

20 September 2011

Parties to the Land Acquisition Agreement

- (1) Sandhurst Trustees Ltd as custodian of the OPIF, as the Vendor;
- (2) Orchard Capital Investments Limited as the responsible entity of the OPIF; and
- (3) QWIL Investments Pty Ltd, as the Purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and Orchard Capital and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

OPIF is an unlisted registered scheme established and domiciled in Australia and is not a legal person. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the OPIF Unitholders are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Asset to be acquired

Pursuant to the Land Acquisition Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase from the Vendor the Land subject to the terms and conditions of the Land Acquisition Agreement. The Land is located in the Riverland Wine Region approximately 15 km northwest of the township of Waikerie, South Australia. The Riverland Wine Region is Australia's largest wine grape producing region, accounting for about one quarter of the country's wine grape production last year. Further details of the Land are set out as below:-

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| Included properties erected on the Land | : | properties comprising, inter alia, certain sheds and residential houses, underground and aboveground pipes, taps, sprinklers, drippers, pumps and certain equipment, grape vines and plantings |
| Site Area | : | the Land comprises a total area of 510 hectares of which approximately 418 hectares are planted to vines |
| Permitted Use | : | vineyards |
| Encumbrances on the Land | : | |
| (i) Lease and its term | : | the Land is currently subject to a lease to McGuigan Simeon Wines Ltd ACN 052 179 932 (currently known as Australian Vintage Ltd) for a term of 12 years commencing in 2004 with 3 rights of renewal for 3 years, 5 years and 5 years respectively. |

The current rent is not less than AUD2,050,000 per annum (equivalent to approximately HK\$16,366,000). Rent reviews are conducted annually to CPI (subject to a maximum annual increase of 2.8%) with market every five (5) years. Any adjustment(s) can only be upward.

- (ii) Option : The Vendor had in 2004 granted the Option to Australian Vintage Ltd ACN 060 649 783 (currently known as Austvin Pty Ltd) pursuant to which Austvin Pty Ltd shall be entitled to buy the Land from the Vendor during each Option Period, at a price which is not less than AUD24,000,000 (equivalent to approximately HK\$191,604,000) for the first Option Period, and at a higher minimum price at each subsequent Option Period.

Settlement

Settlement of the Land Acquisition Agreement shall take place on the Settlement Date and is subject to concurrent completion of the Share Acquisition Agreement, on which delivery of the included property and the included chattels under the Land Acquisition Agreement shall be given, and both the Lease and the Option will be assigned to the Purchaser.

(II) Share Acquisition Agreement

Date

20 September 2011

Parties to the Share Acquisition Agreement

- (1) Sandhurst Trustees Ltd as custodian of the OPIF, as the Vendor; and
- (2) QWIL Investments Pty Ltd, as the Purchaser.

Asset to be acquired

Pursuant to the Share Acquisition Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase from the Vendor the Sale Shares, which represent the entire issued share capital of the Target Company, free from any encumbrances on the Settlement Date subject to the terms and conditions of the Share Acquisition Agreement. There are no restrictions in the Share Acquisition Agreement restricting any subsequent sale by the Purchaser of any of the Sale Shares.

The Target Company is a special purpose vehicle incorporated as a subsidiary of the Vendor with the sole purpose of holding the Water Licence which entitles the holder to gain access to water for irrigation, stock and domestic use on the Land granted by the South Australian Department for Water.

Conditions Precedent and Completion

Completion of the Share Acquisition Agreement shall be subject to and upon the fulfillment of the following Conditions Precedent:

- (i) prior to the Settlement Date, the Vendor has provided the Purchaser with evidence satisfactory to the Purchaser that the Water Licence has been transferred to the Target Company;
- (ii) the Vendor has provided the Purchaser with evidence satisfactory to the Purchaser that on completion of the Share Acquisition Agreement, the Target Company and its assets (including the Water Licence) will be free of any encumbrance (including, without limitation, free of any security granted by the Target Company in favour of the Commonwealth Bank of Australia (“CBA”));
- (iii) the Vendor has provided the Purchaser with evidence satisfactory to the Purchaser that on completion of the Share Acquisition Agreement, the Target Company has been released from all obligations as guarantor under the CBA facility agreement dated 7 November 2007 (as amended on 1 May 2008 and amended and restated on 11 April 2011) (“CBA Facility Agreement”);
- (iv) the Vendor has provided the Purchaser with evidence satisfactory to the Purchaser that on completion of the Share Acquisition Agreement, the Sale Shares will be transferred by the Vendor to the Purchaser free of any encumbrance (including, without limitation, free of any security granted by the Vendor in favour of the CBA); and
- (v) prior to the Settlement Date, the Vendor has provided the Purchaser with evidence satisfactory to the Purchaser that any necessary consent to the Purchaser acquiring the Sale Shares has been received on conditions, if any, acceptable to the Purchaser.

If the Conditions Precedent are satisfied, completion of the Share Acquisition Agreement shall take place on the Settlement Date and occur contemporaneously with settlement under the Land Acquisition Agreement.

CONSIDERATION AND PAYMENT TERMS

The Consideration for the acquisition of the Qualco West Vineyard is AUD10,600,010 (equivalent to approximately HK\$84,625,000), which comprises (i) a sum of AUD7,185,530 (equivalent to approximately HK\$57,366,000) for the Land and (ii) a sum of AUD3,414,480 (equivalent to approximately HK\$27,260,000) for the Sale Shares.

Pursuant to the Land Acquisition Agreement, the consideration in the amount of AUD7,185,530 (equivalent to approximately HK\$57,366,000), shall be satisfied in cash in the following manner:

- (i) a refundable deposit of AUD500,000 (equivalent to approximately HK\$3,992,000) shall be paid by the Purchaser to the Vendor or its deposit holder which holds the deposit as a stakeholder with the deposit earning interest to the benefit of the Purchaser, on the date of the execution of the Land Acquisition Agreement; and
- (ii) the balance of AUD6,685,530 (equivalent to approximately HK\$53,374,000) shall be payable to the Vendor by the Purchaser on the Settlement Date and on which date, the deposit will also be transferred to the account of the Vendor.

Pursuant to the Share Acquisition Agreement, the consideration in the amount of AUD3,414,480 (equivalent to approximately HK\$27,260,000), shall be satisfied in cash on the Settlement Date.

The payment of the Consideration will be financed by internal resources of the Company. 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 Acquisition of the Group; (ii) the future prospects of the business of the Qualco West Vineyard; (iii) the synergistic effects and strategic value of the Qualco West Vineyard on the future development of the Group; and (iv) the potential business opportunities that can be provided to the Group.

Pursuant to the valuation report prepared by Knight Frank Valuations (SA), as at 2 September 2011, the value of the Qualco West Vineyard was AUD10,600,000 (equivalent to approximately HK\$84,625,000).

The rental income attributable to the Qualco West Vineyard for the years ended 31 December 2009 and 2010 were approximately AUD1,985,000 (equivalent to approximately HK\$15,847,000) and AUD2,019,000 (equivalent to approximately HK\$16,119,000) respectively.

INFORMATION ON THE VENDOR, ORCHARD CAPITAL, OPIF, THE PURCHASER AND THE GROUP

Vendor

Sandhurst Trustees Ltd is a non-listed public company limited by shares incorporated and domiciled in Australia, whose principal business activities include (i) acting as a responsible entity for managed investment schemes; (ii) providing corporate trustee and custodial services; (iii) estate administration and will preparation; and (iv) serving as a trustee for superannuation plans. The ultimate parent entity of the Vendor is Bendigo and Adelaide Bank Limited.

Orchard Capital and OPIF

Orchard Capital Investments Limited is the responsible entity of the OPIF, which is an unlisted registered scheme established and domiciled in Australia, which invests in Australian properties and infrastructure assets used in primary production, including (i) horticultural land, including vineyards, mango and almond orchards; (ii) production infrastructure such as packing and distribution facilities; (iii) intensive livestock assets such as chicken production sheds; and (iv) infrastructure assets such as private irrigation schemes.

Purchaser

The Purchaser is a company incorporated under the laws of Australia with limited liability and an indirect wholly-owned subsidiary of the Company. Its principal business activity is investment holding.

Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange. Its subsidiaries are principally engaged in research and development, manufacturing, commercialisation, marketing and selling of health and agriculture-related products, and water business as well as investment in various financial and investment products.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in announcement of the Company dated 8 November 2010 and a circular of the Company dated 31 December 2010, the Group has acquired the scheme units of the Challenger Wine Trust. The Acquisition will further expand the Group's geographical coverage of its agriculture-related business in Australia. Accordingly, the Directors are of the view that the terms of the Acquisition are fair and reasonable so far as the Company and the Shareholders are concerned and that the Acquisition is in the interests of the Company and the Shareholders taken as a whole.

GENERAL

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Qualco West Vineyard in accordance with the Acquisition Agreements
“Acquisition Agreements”	the Land Acquisition Agreement and the Share Acquisition Agreement
“AUD”	the lawful currency of Australia
“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
“Conditions Precedent”	the conditions precedent of the Share Acquisition Agreement, details of which are set out in the section headed “Conditions Precedent and Completion” in the announcement
“Consideration”	the aggregate consideration of AUD10,600,010 (equivalent to approximately HK\$84,625,000) payable by the Purchaser to the Vendor for the Acquisition under the Acquisition Agreements
“CPI”	Consumer Price Index
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“kL”	Kilo litres
“km”	kilo meters
“Land”	a plot of the land with a total area of approximately 510 hectares located in Cadell Road, Qualco, via Waikerie, South Australia, comprised in certificate of title Volume 5984 Folio 163, together with (i) any easements, rights, privileges and other appurtenances referred to in the certificate or other muniment of title for the Land; (ii) all improvements and fixtures on the Land; and (iii) other included property under the Land Acquisition Agreement

“Land Acquisition Agreement”	the agreement dated 20 September 2011 entered between the Vendor, Orchard Capital and the Purchaser for the acquisition of the Land
“Lease”	a lease of the Land to McGuigan Simeon Wines Limited ACN 052 179 932 (currently known as Australian Vintage Ltd) for a term of 12 years commencing in 2004 with 3 rights of renewal for 3 years, 5 years and 5 years respectively
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“OPIF”	Orchard Primary Infrastructure Fund ARSN 110 813 851, an unlisted registered scheme established and domiciled in Australia
“OPIF Unit(s)”	the ordinary units on issue in OPIF
“OPIF Unitholder(s)”	a person who is registered as the holder of an OPIF Unit in the OPIF unit register from time to time
“Option”	an option granted by the Vendor to Australian Vintage Limited ACN 060 649 783 (currently known as Austvin Pty Ltd) under a deed of call option dated 23 February 2004 and made between the Vendor and Australian Vintage Limited
“Option Period”	each of the following periods during which the Option could be exercised: <ul style="list-style-type: none"> (a) the period commencing on the date of expiry of the initial 12-year term under the Lease and ending on the date which is three months thereafter; (b) if there is renewal upon the expiry of the initial 12-year term of the Lease, the period commencing on the date of expiry of the renewed 3-year term under the Lease and ending on the date which is three months thereafter; (c) if there is further renewal upon the expiry of the renewed 3-year term of the Lease, the period commencing on the date of expiry of the further renewed 3-year term under the Lease and ending on the date which is three months thereafter;

- (d) in event of termination of the Lease before its natural expiry for any reason whatsoever, then the period commencing from the date of termination of the Lease and ending on the date which is three months thereafter; or
- (e) in event of an insolvency event of the Vendor, then the period commencing from the date of the insolvency event and ending on the date which is three months thereafter.

“Orchard Capital”	Orchard Capital Investments Limited ABN 23 077 235 879, a company incorporated under the laws of Australia with limited liability, which acts as responsible entity of the OPIF
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Purchaser”	QWIL Investments Pty Ltd ACN 153 274 278, a company incorporated under the laws of Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“Qualco West Vineyard” or “Vineyard”	the Land and the Water Licence
“Sale Shares”	3,414,480 fully paid ordinary shares of AUD1 each in the issued share capital of the Target Company, representing its entire issued share capital
“Settlement Date”	20 October 2011
“Share Acquisition Agreement”	the interdependent share sale and purchase agreement dated 20 September 2011 entered into between the Vendor and the Purchaser for the acquisition of Sale Shares, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Qualco West Water Pty Ltd ACN 152 703 207, a company incorporated under the laws of Australia with limited liability and a direct wholly-owned subsidiary of the Vendor

“Vendor”	Sandhurst Trustees Ltd ACN 004 030 737, a company incorporated under the laws of Australia with limited liability, which acts as custodian of the OPIF
“Water Licence”	Water Licence 242, Site Use Approval 171246, Water Resource Works Approval 171245, and the Water Allocation of 2,247,500 kL of water per annum, including 2,244,500 kL of water for irrigation use, and 3,000 kL of water for stock and domestic uses on the Land, in account SA242-1-10009 issued to the Vendor by the South Australian Department for Water pursuant to the Natural Resources Management Act 2004 of South Australia
“%”	per cent

For the purpose of illustration only, AUD to HK\$ is translated at a rate of AUD1.00 = HK\$7.9835.

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

Hong Kong, 20 September 2011

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).