
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CK Life Sciences Int'l., (Holdings) Inc., you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED ELECTION OF DIRECTORS AT THE ANNUAL GENERAL MEETING,
PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES,
CONTINUING CONNECTED TRANSACTIONS — RENEWAL OF THE EXISTING
CKH SUPPLY AGREEMENT AND THE EXISTING HIL SUPPLY AGREEMENT
AND
NOTICE OF ANNUAL GENERAL MEETING**

**Independent financial adviser to
the Independent Board Committee and the Independent Shareholders
in relation to the Continuing Connected Transactions**



CIMB-GK Securities (HK) Limited

A proxy form for use at the Annual General Meeting of the Company to be held at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on 15th May, 2008 at 10:30 a.m. is enclosed with this circular. The proxy form can also be downloaded from the GEM website at www.hkgem.com and from the Company's website at www.ck-lifesciences.com. Whether or not you are able to attend the Annual General Meeting in person, please complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon to the principal place of business of the Company at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish. The Notice of Annual General Meeting is set out on pages 39 to 43 of this circular.

This circular, 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 circular 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 circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

In relation to the Ordinary Resolutions for approving the New CKH Continuing Connected Transactions, the New HIL Continuing Connected Transactions and the relevant annual caps, a letter from the Independent Board Committee is set out on page 19 of this circular. A letter from CIMB-GK, the independent financial adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 24 of this circular.

This circular will remain on the "Latest Company Announcements" page of the GEM website at 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.

22nd April, 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 2nd April, 2008 in relation to the New Continuing Connected Transactions
“Annual General Meeting”	the annual general meeting of the Company to be held on Thursday, 15th May, 2008 at 10:30 a.m. at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong to approve, inter alia, the Ordinary Resolutions
“Articles of Association”	the articles of association of the Company (as may be amended from time to time)
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules (as may be amended from time to time)
“Board”	the board of Directors
“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 (Stock Code: 001)
“CKH Group”	CKH, its subsidiaries and its associates (excluding the HWL Group and the Group) from time to time
“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 (Stock Code: 8222)
“CIMB-GK”	CIMB-GK Securities (HK) Limited, a licensed corporation under the SFO to conduct types 1 (dealing in securities), 4 (advising on securities) and 6 (advising on corporate finance) regulated activities, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Director(s)”	the director(s) of the Company
“Existing CKH Supply Agreement”	the agreement dated 29th March, 2005 made between the Company and CKH in relation to the provision of the Products by members of the Group to members of the CKH Group

DEFINITIONS

“Existing Continuing Connected Transactions”	the existing transactions between members of the Group and members of the CKH Group and the HIL Group under or pursuant to the respective Existing Supply Agreements
“Existing HIL Supply Agreement”	the agreement dated 29th March, 2005 made between the Company and HIL in relation to the provision of the Products by members of the Group to members of the HIL Group
“Existing Supply Agreements”	the Existing CKH Supply Agreement and the Existing HIL Supply Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Gold Rainbow”	Gold Rainbow Int’l Limited, an investment holding company incorporated in the British Virgin Islands
“Group”	the Company and its subsidiaries from time to time
“HIL”	Hutchison International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of HWL
“HIL Group”	HIL, HIL’s subsidiaries from time to time, and the companies in which HIL is from time to time directly or indirectly interested so as to exercise or control the exercise of 30% to 50% of voting power at any general meeting of such companies
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HWL”	Hutchison Whampoa Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 013)
“HWL Group”	HWL and its subsidiaries from time to time
“Independent Board Committee”	an independent committee of the Board consisting of the Independent Non-executive Directors, namely, Professor Wong Yue-chim, Richard, Mrs. Kwok Eva Lee and Mr. Colin Stevens Russel

DEFINITIONS

“Independent Shareholders”	in relation to the New Continuing Connected Transactions, Shareholders other than (i) Gold Rainbow, a wholly-owned subsidiary of CKH; and (ii) those Shareholders who are also common directors of the Company and CKH and/or HWL (as the case may be)
“Latest Practicable Date”	16th April, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Model Code”	Model Code on Securities Transactions by Directors adopted by the Company
“New CKH Continuing Connected Transactions”	the transactions under or pursuant to the New CKH Supply Agreement
“New CKH Supply Agreement”	the conditional agreement dated 2nd April, 2008 made between the Company and CKH in relation to the provision of the Products by members of the Group to members of the CKH Group, details of which are set out in the sub-paragraph headed “A. <i>The New CKH Supply Agreement</i> ” of the paragraph headed “(3) The New Continuing Connected Transactions” under the section headed “5. Continuing Connected Transactions — Renewal of the Existing CKH Supply Agreement and the Existing HIL Supply Agreement” of the “Letter from the Board” in this circular
“New Continuing Connected Transactions”	the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions
“New HIL Continuing Connected Transactions”	the transactions under or pursuant to the New HIL Supply Agreement
“New HIL Supply Agreement”	the conditional agreement dated 2nd April, 2008 made between the Company and HIL in relation to the provision of the Products by members of the Group to members of the HIL Group, details of which are set out in the sub-paragraph headed “B. <i>The New HIL Supply Agreement</i> ” of the paragraph headed “(3) The New Continuing Connected Transactions” under the section headed “5. Continuing Connected Transactions — Renewal of the Existing CKH Supply Agreement and the Existing HIL Supply Agreement” of the “Letter from the Board” in this circular
“New Supply Agreements”	the New CKH Supply Agreement and the New HIL Supply Agreement

DEFINITIONS

“Notice of Annual General Meeting”	the notice for convening the Annual General Meeting as set out on pages 39 to 43 of this circular
“Ordinary Resolutions”	the ordinary resolutions to be proposed at the Annual General Meeting to approve (i) election of Directors; (ii) general mandates to issue and repurchase Shares; and (iii) the New CKH Continuing Connected Transactions, the New HIL Continuing Connected Transactions and the relevant annual caps
“Products”	the health food and dietary supplement products, including but not limited to those marketed under the trademarks VitaGain® and Adrien Gagnon®/ADRIEN GAGNON®; the eco-agricultural products, including but not limited to the fertilizer products marketed under the trademarks NutriSmart®, NutriWiz® and EcoMax; the animal feed additives, including but not limited to those marketed under the trademark AgiPro®; the bioremediation products for treatments of environmental pollutants, including but not limited to those marketed under the trademark WonderTreat®; as well as human health care and skin care products in the New Continuing Connected Transactions, in each case to be provided by the Group to the CKH Group and the HIL Group (as the case may be) from time to time, as may be agreed between the relevant members of the Group and the CKH Group and the HIL Group respectively
“Sales Related Payments”	in connection with the provision of the Products by the Group to relevant members of the HIL Group under the Existing/New HIL Supply Agreement, the advertising and promotional fees and royalties, display rentals, upfront payments or premiums and/or such other payments (including without limitation, payments for consultancy, management and/or merchandizing services to be rendered by the HIL Group to the Group) to be payable by the Group to the HIL Group, as may be agreed between the relevant members of the Group and the HIL Group under the separate and definitive agreements between them pursuant to the Existing/New HIL Supply Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 26th June, 2002
“Shareholder(s)” or “Member(s)”	holder(s) of the Shares

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or such nominal amount resulting from the sub-division, consolidation, reclassification or reconstruction of its share capital from time to time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Triluck”	Triluck Assets Limited, a company incorporated in the British Virgin Islands
“Trueway”	Trueway International Limited, a company incorporated in the British Virgin Islands
“%”	per cent

LETTER FROM THE BOARD



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)

Board of Directors

Executive Directors

LI Tzar Kuoi, Victor *Chairman*

KAM Hing Lam *President and Chief Executive Officer*

IP Tak Chuen, Edmond *Senior Vice President and Chief Investment Officer*

YU Ying Choi, Alan Abel *Vice President and Chief Operating Officer*

CHU Kee Hung *Vice President and Chief Scientific Officer*

Non-executive Directors

Peter Peace TULLOCH *Non-executive Director*

WONG Yue-chim, Richard *Independent Non-executive Director*

KWOK Eva Lee *Independent Non-executive Director*

Colin Stevens RUSSEL *Independent Non-executive Director*

Company Secretary

Eirene YEUNG

Registered Office

P.O. Box 309GT

Ugland House

South Church Street

Grand Cayman

Cayman Islands

Head Office

2 Dai Fu Street

Tai Po Industrial Estate

Tai Po, Hong Kong

Principal Place of Business

7th Floor, Cheung Kong Center

2 Queen's Road Central

Hong Kong

22nd April, 2008

Dear Shareholder(s),

**PROPOSED ELECTION OF DIRECTORS AT THE ANNUAL GENERAL MEETING,
PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES,
CONTINUING CONNECTED TRANSACTIONS — RENEWAL OF THE EXISTING
CKH SUPPLY AGREEMENT AND THE EXISTING HIL SUPPLY AGREEMENT
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the Ordinary Resolutions. These include (i) the Ordinary Resolutions proposing election of Directors who are due to retire at the Annual General Meeting, (ii) the Ordinary Resolutions granting the Board general mandates to issue and repurchase Shares, and (iii) the Ordinary Resolutions to approve the New CKH Continuing Connected Transactions, the New HIL Continuing Connected Transactions and the relevant annual caps; and to give you Notice of Annual General Meeting at which the Ordinary Resolutions as set out in the Notice of Annual General Meeting will be proposed.

In relation to the New Continuing Connected Transactions, this circular also provides you with further information on the transactions and sets out the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders and the letter from CIMB-GK containing its advice to the Independent Board Committee and the Independent Shareholders.

LETTER FROM THE BOARD

2. PROPOSED ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles of Association, Mr. Yu Ying Choi, Alan Abel, Dr. Chu Kee Hung and Mr. Colin Stevens Russel will retire by rotation at the 2008 Annual General Meeting and, being eligible, have offered themselves for re-election. Details of the above Directors that are required to be disclosed under the GEM Listing Rules are set out in **Appendix I** to this circular.

Mr. Colin Stevens Russel, being an Independent Non-executive Director eligible for re-election at the 2008 Annual General Meeting, has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that Mr. Colin Stevens Russel meets the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and is independent in accordance with the terms of the guidelines.

Any shareholder who wishes to nominate a person to stand for election as a Director at the Annual General Meeting must lodge with the Company Secretary of the Company at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong within the period from Thursday, 24th April, 2008 to Wednesday, 30th April, 2008, both days inclusive, (i) his written nomination of the candidate, (ii) written confirmation from such nominated candidate of his willingness to be elected as Director and (iii) the biographical details of such nominated candidate as required under Rule 17.50(2) of the GEM Listing Rules for publication by the Company.

3. PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

A general mandate is proposed to be unconditionally given to the Board to issue and dispose of additional Shares (in addition to Shares to be issued under the Share Option Scheme) not exceeding 20% of the issued share capital of the Company at the date of the resolution until the next annual general meeting. As at the Latest Practicable Date, the total number of issued Shares was 9,611,072,400. Accordingly, the maximum number of Shares that may be issued pursuant to the general mandate will be 1,922,214,480, if there is no change in the total number of issued Shares from the Latest Practicable Date up to the date of the Annual General Meeting. The relevant resolution is set out as Ordinary Resolution No. 4(1) in the Notice of Annual General Meeting dated 22nd April, 2008 ("Ordinary Resolution No. (1)").

Concerning Ordinary Resolution No. (1), the Directors wish to state that they have no immediate plans to issue any new Shares. Approval is being sought from the Shareholders as a general mandate for the purposes of the GEM Listing Rules.

4. PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 10th May, 2007, a general mandate was given to the Board to exercise the power of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. It is therefore proposed to seek your approval of the Ordinary Resolution No. 4(2) as set out in the Notice of Annual General Meeting ("Ordinary Resolution No. (2)") to give a fresh general mandate to the Board to exercise the power of the Company to repurchase Share(s).

LETTER FROM THE BOARD

An explanatory statement, as required by the relevant rules set out in the GEM Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange, to provide requisite information to you for your consideration of the proposal to authorize the Board to exercise the power of the Company to repurchase Share(s) up to a maximum of 10% of the issued share capital of the Company at the date of Ordinary Resolution No. (2) (“Repurchase Proposal”) is set out in **Appendix II** to this circular.

5. CONTINUING CONNECTED TRANSACTIONS — RENEWAL OF THE EXISTING CKH SUPPLY AGREEMENT AND THE EXISTING HIL SUPPLY AGREEMENT

Reference is made to the Announcement. Pursuant to the requirements of the GEM Listing Rules, the Company is required to seek Independent Shareholders’ approval in relation to the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions respectively, which will constitute non-exempt continuing connected transactions of the Company under the GEM Listing Rules, and the respective annual caps.

(1) Background

The Group has continued to carry on the Existing Continuing Connected Transactions, as announced on 29th March, 2005. At the annual general meeting of the Company held on 12th May, 2005, the then independent Shareholders approved the Existing Continuing Connected Transactions and the annual caps for transactions under each of the Existing Supply Agreements for a period up to 31st December, 2008, subject to certain conditions. Details of the Existing Continuing Connected Transactions were disclosed in the announcement and circular of the Company dated 29th March, 2005 and 19th April, 2005 respectively. The Existing Supply Agreements and the period covered by the approval in respect of them will expire on 31st December, 2008. A brief summary of the Existing Supply Agreements is set out below:

- (1) Existing CKH Supply Agreement – CKH engages the Company and the Company agrees to provide and/or procure to be provided the Products to the CKH Group for use or consumption and/or for sale and distribution on a non-exclusive basis for a term from 1st January, 2006 to 31st December, 2008; and
- (2) Existing HIL Supply Agreement – HIL engages the Company and the Company agrees to provide and/or procure to be provided the Products to the HIL Group for sale and distribution on a non-exclusive basis for a term from 1st January, 2006 to 31st December, 2008. In that connection, relevant members of the Group may make the Sales Related Payments to those of the HIL Group.

LETTER FROM THE BOARD

(2) The Existing Continuing Connected Transactions

The annual cap and the aggregate amount of each of the Existing Continuing Connected Transactions for each of the two financial years ended 31st December, 2006 and 31st December, 2007 and the annual cap for the financial year ending 31st December, 2008 are set out below:

Existing Continuing Connected Transactions		For the year ended 31/12/2006	For the year ended 31/12/2007	For the year ending 31/12/2008
1.	The value of the Products provided to the CKH Group pursuant to the Existing CKH Supply Agreement	HK\$200,000 (annual cap) HK\$22,137 (aggregate amount)	HK\$300,000 (annual cap) HK\$274,350 (aggregate amount)	HK\$400,000 (annual cap)
2.	Existing HIL Supply Agreement:-			
	(a) the value of the Products provided to the HIL Group;	HK\$70,000,000 (annual cap) HK\$11,173,279 (aggregate amount)	HK\$120,000,000 (annual cap) HK\$23,248,626 (aggregate amount)	HK\$200,000,000 (annual cap)
	(b) the value of the Sales Related Payments paid by the Group	HK\$21,000,000 (annual cap) HK\$3,069,952 (aggregate amount)	HK\$36,000,000 (annual cap) HK\$2,286,649 (aggregate amount)	HK\$60,000,000 (annual cap)

For each of the two financial years ended 31st December, 2006 and 31st December, 2007, none of the aggregate amount of the Existing Continuing Connected Transactions exceeded their respective annual cap amount as approved by the then independent Shareholders in 2005.

LETTER FROM THE BOARD

(3) The New Continuing Connected Transactions

It is expected that the Group, the CKH Group and the HIL Group will from time to time continue to enter into transactions of a nature similar to the Existing Continuing Connected Transactions after the expiry of the Existing Supply Agreements on 31st December, 2008. Details of the New Continuing Connected Transactions are as follows:-

A. *The New CKH Supply Agreement*

Date:	2nd April, 2008
Parties:	(i) The Company (ii) CKH
Condition precedent:	conditional upon approval by Independent Shareholders
Duration:	a term of 3 years from 1st January, 2009 to 31st December, 2011
Goods provided:	the Products

Subject to the terms and conditions of the New CKH Supply Agreement, the Company agrees to continue to provide and/or procure members of the Group to provide the Products to the CKH Group and CKH agrees to continue to purchase and/or procure members of the CKH Group (in respect of associates of CKH which are not subsidiaries of CKH, to procure with reasonable endeavours only) to purchase the Products from the Group for use or consumption and/or for sale and distribution by the CKH Group both locally and overseas on a non-exclusive basis after the expiry of the Existing CKH Supply Agreement.

Similar to the Existing CKH Supply Agreement, the New CKH Supply Agreement is a master agreement which sets out the principles upon which detailed terms are to be determined between the relevant members of the Group and the CKH Group. Pursuant to the New CKH Supply Agreement, members of the Group and the CKH Group will enter into separate and definitive agreements from time to time to provide for the detailed terms of each single transaction in accordance with the principles in the New CKH Supply Agreement. Such detailed terms include (but without limitation) the basis on which the Products will be supplied, the price of the Products, payment and settlement terms, product warranties and other terms and conditions in relation to the provision of the Products by the Group to the CKH Group. The parties agree that such detailed terms shall be on normal commercial terms and on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties.

LETTER FROM THE BOARD

Proposed annual caps

The Directors project that under the New CKH Supply Agreement, the value of the Products to be provided or to be agreed to be provided by the Group to the CKH Group will not exceed the amounts set out below:-

- (i) For the year ending 31st December, 2009 – HK\$1,000,000
- (ii) For the year ending 31st December, 2010 – HK\$1,500,000
- (iii) For the year ending 31st December, 2011 – HK\$2,000,000.

Approval will be sought from the Independent Shareholders in respect of the New CKH Continuing Connected Transactions. It will be one of the conditions of the approval of the Independent Shareholders that the value of the New CKH Continuing Connected Transactions shall not exceed certain annual caps detailed below, which are set by reference to the above annual figures.

Basis of caps

The estimated annual figures proposed above are determined by reference to (i) the anticipated increase in the sale prices of the Products; (ii) the anticipated growth in the sales volume of the Products to or through the CKH Group; and (iii) the anticipated increase in the number and variety of new Products to be launched and made available to the CKH Group.

B. The New HIL Supply Agreement

Date:	2nd April, 2008
Parties:	(i) The Company (ii) HIL
Condition precedent:	conditional upon approval by Independent Shareholders
Duration:	a term of 3 years from 1st January, 2009 to 31st December, 2011
Goods provided:	the Products

LETTER FROM THE BOARD

Subject to the terms and conditions contained in the New HIL Supply Agreement, the Company agrees to continue to provide and/or procure the members of the Group to provide the Products to the HIL Group and HIL agrees to continue to purchase and/or procure members of the HIL Group (in respect of those members of the HIL Group in which HIL is directly or indirectly interested so as to exercise or control the exercise of 30% to 50% of the voting power at any general meeting of such companies, to procure with reasonable endeavours only) to purchase the Products from the Group, for sale and distribution by the HIL Group both locally and overseas on a non-exclusive basis after the expiry of the Existing HIL Supply Agreement. In connection with the supply of the Products, relevant members of the Group may make the Sales Related Payments to relevant members of the HIL Group, which are expected to include advertising and promotional fees and royalties, display rentals, upfront payments or premium and/or such other payments (including without limitation, payments for consultancy, management and/or merchandising services to be rendered by the HIL Group).

Similar to the Existing HIL Supply Agreement, the New HIL Supply Agreement is a master agreement which sets out the principles upon which detailed terms are to be determined between the relevant members of the Group and the HIL Group. Pursuant to the New HIL Supply Agreement, members of the Group and the HIL Group will enter into separate and definitive agreements from time to time to provide for the detailed terms of each single transaction in accordance with the principles in the New HIL Supply Agreement. Such detailed terms include (but without limitation) the basis on which the Products will be supplied, the price of the Products, payment and settlement terms, product warranties, the amounts of the Sales Related Payments payable by the Group to the HIL Group and other terms and conditions in relation to the provision of the Products by the Group to the HIL Group. The parties agree that such detailed terms shall be on normal commercial terms and on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties.

Proposed annual caps

The Directors project that under the New HIL Supply Agreement:-

- (a) the value of the Products to be provided or to be agreed to be provided by the Group to the HIL Group will not exceed the amounts set out below:-
 - (i) For the year ending 31st December, 2009 – HK\$110,000,000
 - (ii) For the year ending 31st December, 2010 – HK\$180,000,000
 - (iii) For the year ending 31st December, 2011 – HK\$250,000,000; and

LETTER FROM THE BOARD

- (b) the value of the Sales Related Payments payable by the Group to the HIL Group will not exceed the amounts set out below:–
- (i) For the year ending 31st December, 2009 – HK\$17,000,000
 - (ii) For the year ending 31st December, 2010 – HK\$27,000,000
 - (iii) For the year ending 31st December, 2011 – HK\$38,000,000.

Approval will be sought from the Independent Shareholders in respect of the New HIL Continuing Connected Transactions. It will be one of the conditions of the approval of the Independent Shareholders that the value of the New HIL Continuing Connected Transactions shall not exceed certain annual caps detailed below, which are set by reference to the above annual figures.

Basis of caps

The estimated annual figures for the value of the Products to be provided as proposed in (a) above are determined by reference to (i) the sales volume for the year ended 31st December, 2007 and the projected sales volume for the year ending 31st December, 2008 of the Products to the HIL Group or through the distribution channels of the HIL Group; (ii) the estimated increase in the sales price of the Products; (iii) the anticipated increase in the number and variety of the Products to be launched and made available for sale by the HIL Group; (iv) the expected expansion of distribution channels for the Products through a wider scope of outlet coverage of the HIL Group; and (v) the expected increase in the number of markets in which the Products can be made available to the HIL Group.

For reference, the sales of the Products to the HIL Group or through the distribution channels of the HIL Group in Hong Kong was about HK\$23 million in the year ended 31st December, 2007, which was doubled compared to the previous year. It is expected there will be another 100% growth in the sales of the Products to the HIL Group or through the distribution channels of the HIL Group in Hong Kong for the year ending 31st December, 2008 compared to the year ended 31st December, 2007.

Following this trend, the annual cap for the year ending 31st December, 2009 is estimated at HK\$110 million. The annual caps for the three years ending 31st December, 2009, 2010 and 2011 have taken into account potential developments in the sales of Products to the HIL Group in various overseas markets. There are plans to make additional use of the distribution channels of the HIL Group in other parts of the world. The primary focuses will include existing and new markets such as the Netherlands, Taiwan, Singapore, China and the United Kingdom.

LETTER FROM THE BOARD

The estimated annual figures of the Sales Related Payments proposed in (b) above are determined based on the projected sales value set out in (a) above and on the assumption that the Sales Related Payments will amount to approximately 15% of such sales with reference to the current practice of the distributors and the retailers and particularly the value of the Products to be sold in the outlets of the HIL Group outside Hong Kong.

The Directors confirm that the New Continuing Connected Transactions will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and negotiated on an arm's length basis between the relevant members of the Group and the CKH Group or the HIL Group (as the case may be). In particular, the terms and conditions (including the price chargeable by the Group) for the provision of the Products by the Group to the relevant members of the CKH Group or the HIL Group (as the case may be) will be on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties.

(4) Reasons for entering into the New Continuing Connected Transactions

The supply of the Products pursuant to the Existing Supply Agreements and the related transactions has formed part of the normal commercial activities of the Group. The transactions are also normal business activities of the relevant members of the CKH Group and the HIL Group. In the case of the New HIL Supply Agreement, the transactions would also enable the Group to take advantage of the wide distribution channels and extensive retail outlets of the HIL Group.

The Directors (including the Independent Non-executive Directors) are of the view that the terms of the New Continuing Connected Transactions and the proposed annual caps for the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

(5) New Continuing Connected Transactions and requirements under the GEM Listing Rules

Relationship with CKH and HIL

As at the Latest Practicable Date, (i) CKH was interested in approximately 44.30% of the issued share capital of the Company and therefore was a substantial shareholder of the Company; and (ii) CKH was interested in approximately 49.97% of the issued share capital of HWL, and HIL, being a wholly-owned subsidiary of HWL, was thus an associate of CKH. Therefore, the CKH Group and the HIL Group are connected persons of the Company under the GEM Listing Rules, and transactions under each of the Existing Supply Agreements constitute continuing connected transactions of the Company under the GEM Listing Rules.

LETTER FROM THE BOARD

New Continuing Connected Transactions

As the New Continuing Connected Transactions involve provision of goods and payments for services on a continuing or recurring basis and are expected to extend over a period of time, those transactions will also constitute continuing connected transactions of the Company under the GEM Listing Rules.

As it is anticipated that the applicable percentage ratios (other than the profits ratio) calculated in accordance with Chapter 19 of the GEM Listing Rules in respect of the total amounts of the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions will, on an annual basis, not be less than 2.5% and the annual consideration is expected to be higher than HK\$10,000,000, the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions will constitute non-exempt continuing connected transactions of the Company under the GEM Listing Rules. The New Continuing Connected Transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Rules 20.45 to 20.54 of the GEM Listing Rules. Accordingly, the Company will seek the approval of the Independent Shareholders by way of poll for the Group to conduct the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions respectively for the period from 1st January, 2009 up to 31st December, 2011 on the condition that the transactions shall not exceed the relevant annual caps set out below:

Category of New Continuing Connected Transactions		Proposed Caps (in HK\$)		
		For the year ending 31/12/2009	For the year ending 31/12/2010	For the year ending 31/12/2011
1.	The value of the Products to be provided under the New CKH Continuing Connected Transactions	1,000,000	1,500,000	2,000,000
2.	The New HIL Continuing Connected Transactions:-			
	(a) the value of the Products to be provided to the HIL Group;	110,000,000	180,000,000	250,000,000
	(b) the value of the Sales Related Payments payable by the Group	17,000,000	27,000,000	38,000,000

If there are material changes to the terms of any of the New Supply Agreements mentioned above or the relevant caps stated above are exceeded or that the Company and any connected persons (as defined under the GEM Listing Rules) reach any new arrangements, the Company will have to comply with the relevant provisions of Chapter 20 of the GEM Listing Rules.

LETTER FROM THE BOARD

(6) Business of the Group and counterparties

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 activities of the CKH Group are investment holding, property development and investment, hotel and serviced suite operation, property and project management and investments in securities.

The principal activities of HIL are investment holdings. HIL is a wholly-owned subsidiary of HWL. The HWL Group operates and invests in five core businesses: ports and related services; property and hotels; retail; energy, infrastructure, finance & investments and others; and telecommunications.

(7) Independent Shareholders' approval in respect of the New Continuing Connected Transactions

Ordinary Resolutions will be proposed at the Annual General Meeting for the Independent Shareholders to approve by way of poll the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions respectively and the respective proposed annual caps mentioned in sub-paragraph (5) above. Please refer to the section headed "6. Annual General Meeting" of this letter for details of the Annual General Meeting. Shareholders who are not Independent Shareholders will be required to abstain from voting in the relevant Ordinary Resolutions.

As far as the Company was aware having made all reasonable enquiries, as at the Latest Practicable Date:—

- (a) Shareholders who were not Independent Shareholders controlled or were entitled to exercise control over the voting right in respect of their respective Shares;
- (b) (i) there were no voting trusts or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any of the Shareholders who were not Independent Shareholders; and
- (ii) there were no obligation or entitlement of the Shareholders who were not Independent Shareholders,

whereby it/he/they had or might have temporarily or permanently passed control over the exercise of the voting right in respect of its/his/their Shares to a third party, either generally or on a case-by-case basis; and

LETTER FROM THE BOARD

- (c) there was no discrepancy between the beneficial shareholding interests of the Shareholders who were not Independent Shareholders in the Company and the number of Shares in respect of which it/he/they would control or would be entitled to exercise control over the voting right at the relevant Ordinary Resolutions to approve the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions and the respective annual caps.

The Independent Board Committee has been appointed to advise the Independent Shareholders on whether or not the terms of the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions and the respective annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. CIMB-GK has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions and the respective annual caps.

6. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 15th May, 2008 at 10:30 a.m. is set out in **Appendix IV** to this circular.

Proxy form for use at the Annual General Meeting is enclosed with this circular. The proxy form can also be downloaded from the GEM website at www.hkgem.com and from the Company's website at www.ck-lifesciences.com. Whether or not you are able to attend the Annual General Meeting in person, please complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's principal place of business at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof or, in the case of a poll taken subsequently to the date of the Annual General Meeting or adjourned meeting, not less than 48 hours before the time appointed for taking the poll. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

Your right to demand a poll on the resolutions to be proposed at the Annual General Meeting is set out in **Appendix V** to this circular.

As required by Rule 20.52 of the GEM Listing Rules, the Ordinary Resolutions Nos. 5(1) and 5(2) proposed to approve the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions respectively and the respective annual caps must be taken by poll. Hence the Ordinary Resolutions Nos. 5(1) and 5(2) will be put to vote by Independent Shareholders by way of poll. Shareholders who are not Independent Shareholders will abstain from voting in both of the said Ordinary Resolutions.

LETTER FROM THE BOARD

In addition, pursuant to Article 80 of the Articles of Association, the Chairman of the Annual General Meeting will exercise his power to put each of the resolutions to be proposed at the Annual General Meeting to the vote by way of a poll.

Pursuant to Rule 17.47(5) of the GEM Listing Rules, if voting at a general meeting is taken on a poll, the Company is required to announce the results of the poll in accordance with that Rule. An announcement on the outcome of the Annual General Meeting will be made by the Company in respect of the Ordinary Resolutions taken by poll after conclusion of the Annual General Meeting.

7. RECOMMENDATION

In relation to the Ordinary Resolutions Nos. 5(1) and 5(2) proposed to approve the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions respectively and the respective annual caps, your attention is drawn to (i) the letter from the Independent Board Committee set out on page 19 of this circular which contains its recommendation to the Independent Shareholders concerning the New CKH Continuing Connected Transactions, the New HIL Continuing Connected Transactions and the respective annual caps; and (ii) the letter from CIMB-GK set out on pages 20 to 24 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders in relation to the New CKH Continuing Connected Transactions, the New HIL Continuing Connected Transactions and the respective annual caps and the principal factors and reasons considered by CIMB-GK in arriving at its recommendation.

The Independent Board Committee, having taken into account the advice of CIMB-GK, considers that the New CKH Continuing Connected Transactions, the New HIL Continuing Connected Transactions, and the respective annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In relation to the other Ordinary Resolutions set out in the Notice of Annual General Meeting, the Board considers that such other resolutions are all in the best interests of the Company and its Shareholders as a whole. The Board also considers that it is in the interests of the Company and its Shareholders to elect those Directors proposed to be re-elected. Accordingly, the Board recommends you to vote in favour of such resolutions at the Annual General Meeting.

8. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,

By Order of the Board
LI TZAR KUOI, VICTOR
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

22nd April, 2008

To Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF THE EXISTING CKH SUPPLY AGREEMENT AND THE EXISTING HIL SUPPLY AGREEMENT

We refer to the circular dated 22nd April, 2008 issued to the Shareholders (the “Circular”) of which this letter forms part. Terms used in this letter shall have the same respective meanings as defined in the Circular unless the context otherwise requires.

As the Independent Board Committee, we have been appointed by the Board to advise the Independent Shareholders on whether the terms of the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions and the respective annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole are concerned. Details of the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions are set out in the text of the letter from the Board as set out on pages 6 to 18 of the Circular.

We wish to draw your attention to the letter of advice from CIMB-GK as set out on pages 20 to 24 of the Circular which contains its advice and recommendation to us and the Independent Shareholders as to whether or not the terms of the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions and the respective annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole together with the principal factors and the reasons in arriving at its recommendation.

Having considered, among other matters, the factors and the reasons considered by, and the opinions of, CIMB-GK as stated in its aforementioned letter of advice, we consider that the terms of the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions and the respective annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the Ordinary Resolutions to be proposed at the Annual General Meeting to approve the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions and the relevant annual caps respectively.

Yours faithfully,

For and on behalf of

Independent Board Committee

Wong Yue-chim, Richard Kwok Eva Lee Colin Stevens Russel
Independent Non-executive Directors

LETTER FROM CIMB-GK SECURITIES (HK) LIMITED

Set out below is the text of the letter of advice from CIMB-GK to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this circular.



CIMB-GK Securities (HK) Limited

25/F., Central Tower
28 Queen's Road Central
Hong Kong

22nd April, 2008

*To the Independent Board Committee and the Independent Shareholders of
CK Life Sciences Int'l., (Holdings) Inc.*

Dear Sirs,

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF THE EXISTING CKH SUPPLY AGREEMENT
AND THE EXISTING HIL SUPPLY AGREEMENT**

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in relation to the New Continuing Connected Transactions, details of which are set out in the letter from the Board in a circular of the Company dated 22nd April, 2008 to the Shareholders (the "Circular"), of which this letter forms part. Terms defined in the Circular shall bear the same meanings herein unless the context otherwise requires.

As it is anticipated that the applicable percentage ratios (other than the profits ratio) calculated in accordance with Chapter 19 of the GEM Listing Rules in respect of the total amounts of the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions will, on an annual basis, exceed 2.5% and the annual consideration is expected to be higher than HK\$10,000,000, the New CKH Continuing Connected Transactions and the New HIL Continuing Connected Transactions will constitute non-exempt continuing connected transactions of the Company under the GEM Listing Rules. The New Continuing Connected Transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Independent Board Committee, comprising all of the Independent Non-executive Directors, namely Professor Wong Yue-chim, Richard, Mrs. Kwok Eva Lee and Mr. Colin Stevens Russel, has been formed to make a recommendation to the Independent Shareholders in relation to the New Continuing Connected Transactions. We have been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM CIMB-GK SECURITIES (HK) LIMITED

In formulating our recommendations, we have relied on the accuracy of the information and representations contained in the Circular and as provided to us by the Directors. We have assumed that all information and representations made or referred to in the Circular and all information and representations which have been provided by the Directors, are true and accurate in all material respects and that all expectations and intentions of the Company or the Directors will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and referred to in the Circular, and we have been advised by the Directors that no material facts have been omitted from the information provided to us and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view. We have not, however, conducted any form of independent investigation into the businesses and affairs or the financial position or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion as to whether the terms of the New Continuing Connected Transactions and the respective annual caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole, we have considered the following principal factors and reasons:

Background and reasons

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 Group has been conducting the Existing Continuing Connected Transactions under the Existing Supply Agreements. Pursuant to the Existing CKH Supply Agreement, CKH engaged the Company and the Company agreed to provide and/or procure members of the Group to provide the Products to the CKH Group for use or consumption and/or for sale and distribution on a non-exclusive basis for a term from 1st January, 2006 to 31st December, 2008. Pursuant to the Existing HIL Supply Agreement, HIL engaged the Company and the Company agreed to provide and/or procure members of the Group to provide the Products to the HIL Group for sale and distribution on a non-exclusive basis for a term from 1st January, 2006 to 31st December, 2008, and relevant members of the Group may make the Sales Related Payments to those of the HIL Group. The Group will continue to enter into such continuing connected transactions with the CKH Group and the HIL Group during 2009-2011.

As the nature of the New Continuing Connected Transactions are in line with the usual and ordinary course of business of the Group and the terms thereof are based on normal commercial terms as explained below, accordingly, we consider that the New Continuing Connected Transactions are in the interests of the Company and the Shareholders as a whole.

LETTER FROM CIMB-GK SECURITIES (HK) LIMITED

Terms

Pursuant to the New CKH Supply Agreement, the Company will continue to provide the Products to the CKH Group, and CKH agrees to continue to purchase the Products from the Group for use or consumption and/or for sale and distribution by the CKH Group both locally and overseas on a non-exclusive basis after the expiry of the Existing CKH Supply Agreement. Pursuant to the New HIL Supply Agreement, the Company will continue to provide the Products to the HIL Group and HIL agrees to continue to purchase the Products from the Group, for sale and distribution by the HIL Group both locally and overseas on a non-exclusive basis after the expiry of the Existing HIL Supply Agreement. In connection with the supply of the Products to the HIL Group, the Group may make the Sales Related Payments to the HIL Group, which will include advertising and promotional fees and royalties, display rentals, upfront payments or premium and/or such other payments (including without limitation, payments for consultancy, management and/or merchandising services to be rendered by the HIL Group).

Similar to the Existing Supply Agreements, the New Supply Agreements are master agreements which set out the principles upon which detailed terms are to be determined between the Group and CKH Group or the Group and the HIL Group respectively, and to be set out in separate and definitive agreements from time to time. The parties to the respective agreements also agreed that such detailed terms shall be on normal commercial terms and on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties.

Having considered these bases, we concur with the views of the Directors that the terms of the New Continuing Connected Transactions are on normal commercial terms, and are fair and reasonable so far as the Company and the Shareholders are concerned.

Proposed annual caps

The following is a summary of the historical transaction amounts for: (a) the Existing Continuing Connected Transactions for the two financial years ended 31st December, 2006 and 2007, (b) the approved annual cap for the current financial year ending 31st December, 2008, and (c) the respective proposed annual cap for each of the three financial years ending 31st December, 2011:

	Aggregate amount for the year ended 31st December <i>(in HK\$)</i>		Existing annual cap for the year ending 31st December <i>(in HK\$)</i>	Proposed annual caps for the year ending 31st December <i>(in HK\$)</i>		
	2006	2007	2008	2009	2010	2011
1. Supply of Products to the CKH Group	22,137	274,350	400,000	1,000,000	1,500,000	2,000,000
2. Supply of Products and of Sales Related Payment to the HIL Group:						
(a) Value of Products to the HIL Group;	11,173,279	23,248,626	200,000,000	110,000,000	180,000,000	250,000,000
(b) Payment of Sales Related Payments to the HIL Group	3,069,952	2,286,649	60,000,000	17,000,000	27,000,000	38,000,000

LETTER FROM CIMB-GK SECURITIES (HK) LIMITED

As noted from the Letter from the Board, the proposed annual caps for the New CKH Continuing Connected Transactions are determined with reference to (i) the anticipated increase in the sale price of the Products; (ii) the anticipated growth in the sales volume of the Products to or through the CKH Group; and (iii) the anticipated increase in the number and variety of new Products to be launched and made available to the CKH Group. On the other hand, the proposed annual caps for the New HIL Continuing Connected Transactions are determined with reference to (i) the sales volume of the Products for the year ended 31st December, 2007 and the projected sales volume of the Products to the HIL Group or through the HIL Group's distribution channels for the year ending 31st December, 2008; (ii) the estimated increase in the sales price of the Products; (iii) the anticipated increase in the number and variety of the Products to be launched and made available for sale by the HIL Group; and (iv) the expected expansion of distribution channels for the Products through a wider scope of outlet coverage of the HIL Group; and (v) the expected increase in the number of markets in which the Products can be made available to the HIL Group.

In assessing the reasonableness of the proposed annual caps, we have discussed with the Directors the basis and the assumptions underlying the projections for the sale of Products by the Group. We noted that in respect of the sales of the Products to the HIL Group or through the distribution channels of the HIL Group, the sales of the Products in Hong Kong was about HK\$23 million in the year ended 31st December, 2007, which doubled the sales in the previous year. As advised by the management, it is expected that there will be another 100% growth in the sales of the Products to the HIL Group or through its distribution channels in Hong Kong for the year ending 31st December, 2008 as compared to the previous year ended 31st December, 2007. We understand from the management of the Company that the annual caps for the three years ending 31st December, 2009, 2010 and 2011 have taken into account increase in sales volume, sales price, variety of Products, expansion of distribution channels and number of markets and the significant increase in the annual caps for the three years ending 31st December, 2009, 2010 and 2011 as compared to the historical amounts is primarily attributable to the expected additional sales volume generated by the overseas markets.

Regarding the Sales Related Payments payable to the relevant members of the HIL Group under the New HIL Supply Agreement, we noted that the relevant annual caps are determined based on the projected sales volume of the Products to be provided to the HIL Group under the relevant proposed annual caps for the sales of Products to the HIL Group and on the assumption that the Sales Related Payments account for approximately 15% of the value of the Products to be provided to the HIL Group. We noted that this assumption of 15% has been determined with reference to the current practice of the distributors and the retailers, and particularly the value of the Products to be sold in the outlets of the HIL Group outside Hong Kong.

Having taken into account the above, we consider the proposed annual caps set for the value of the Products as well as for the Sales Related Payments under the New Continuing Connected Transactions to be fair and reasonable so as far as the Company and the Shareholders are concerned.

LETTER FROM CIMB-GK SECURITIES (HK) LIMITED

However, Shareholders should note that these figures may vary depending on numerous factors, including the progress of research and development of the new Products, the market reception of the new Products and the market condition at the time of the proposed introduction of the new Products and throughout the duration of the New Supply Agreements. Accordingly, Shareholders should not regard these figures as the turnover projections of the Group for each of the three consecutive financial years ending 31st December, 2009, 2010 and 2011.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the New Continuing Connected Transactions are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. We also consider that the terms of the New Supply Agreements and the relevant annual caps being set are fair and reasonable so far as the Company and the Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the Ordinary Resolutions to be proposed at the Annual General Meeting to approve the New Continuing Connected Transactions and the relevant annual caps.

Yours faithfully,

For and on behalf of
CIMB-GK Securities (HK) Limited

Alex Lau

Director

Head of Corporate Finance

Flavia Hung

Director

The following are the particulars of the three Directors (as required by the GEM Listing Rules) proposed to be elected at the Annual General Meeting.

1. **YU Ying Choi, Alan Abel**, aged 52, Vice President and Chief Operating Officer. Mr. Yu joined the Group in January 2000. Mr. Yu is also a director of Wex Pharmaceuticals Inc., the shares of which are listed on the Toronto Stock Exchange. He holds a Bachelor of Arts degree and a Master's degree in Business Administration.

Mr. Yu does not have any relationship with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company. Mr. Yu has a personal interest of (i) 2,250,000 Shares and (ii) 1,899,560 underlying shares of the Company derived from options granted to him pursuant to the Share Option Scheme within the meaning of Part XV of the SFO. There is no service contract entered into between Mr. Yu and the Company. The Director's fee of Mr. Yu as an Executive Director of the Company is HK\$75,000 per annum. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Mr. Yu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules.

2. **CHU Kee Hung**, aged 63, Vice President and Chief Scientific Officer. Dr. Chu joined the Group in January 2001. He holds a Bachelor of Science from The Chinese University of Hong Kong, a Master of Science degree and a Doctor of Philosophy degree both from The University of California at Berkeley. He has over 20 years' experience in technology project management in the United States, Mainland China and Hong Kong. Dr. Chu did not hold any directorships in other listed companies in the past three years.

Dr. Chu does not have any relationship with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company. Dr. Chu has a personal interest of (i) 2,250,000 Shares and (ii) 1,899,560 underlying shares of the Company derived from options granted to him pursuant to the Share Option Scheme within the meaning of Part XV of the SFO. There is no service contract entered into between Dr. Chu and the Company. The Director's fee of Dr. Chu as an Executive Director of the Company is HK\$75,000 per annum. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there are no other matters concerning Dr. Chu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules.

3. **RUSSEL, Colin Stevens**, aged 67, Independent Non-executive Director and a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Russel has been an Independent Non-executive Director of the Group since January 2005. He is the founder and Managing Director of Emerging Markets Advisory Services Ltd., a company which provides advisory services to organizations on business strategy and planning, market development, competitive positioning and risk management. Mr. Russel also acts as the Managing Director of EMAS (HK) Limited and an Executive Director of China Autoparts Group Limited and China Auto International Ltd. He is also an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited and ARA Asset Management Limited, and a Non-executive Director of Husky Energy Inc., all are listed companies. He was the Canadian Ambassador to Venezuela (*from 2001 through 2002*), Consul General for Canada in Hong Kong (*from 1997 through 2001*), Director for China of the Department of Foreign Affairs, Ottawa (*from 1994 through 1997*), Director for East Asia Trade in Ottawa (*from 1993 through 1994*), Senior Trade Commissioner for Canada in Hong Kong (*from 1990 through 1993*), Director for Japan Trade in Ottawa (*from 1988 through 1990*), and was in the Trade Commissioner Service for Canada in Spain, Hong Kong, Morocco, the Philippines, London and India (*from 1972 through 1988*). He was Project Manager for RCA Ltd in Liberia, Nigeria, Mexico and India and electronic equipment development engineer in Canada with RCA Ltd and in Britain with Associated Electrical Industries (*from 1962 through 1971*). Mr. Russel is a Professional Engineer and Qualified Commercial Mediator. He received his Master's degree in Business Administration and a degree in electronics engineering from McGill University, Canada.

Mr. Russel does not have any relationship with any other Directors, senior management, management Shareholders, substantial Shareholders or controlling Shareholders of the Company. Mr. Russel does not have interests in Shares within the meaning of Part XV of the SFO. There is no service contract entered into between Mr. Russel and the Company. The Director's fee of Mr. Russel as an Independent Non-executive Director of the Company is HK\$75,000 per annum and additional fees for being a member of the Audit Committee and the Remuneration Committee of the Company are HK\$80,000 and HK\$25,000 per annum respectively (subject to review by the Board from time to time).

Save as disclosed above, there are no other matters concerning Mr. Russel that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules.

1. SHARE CAPITAL

As at Latest Practicable Date, the issued share capital of the Company comprised 9,611,072,400 Shares of HK\$0.10 each.

Subject to the passing of Ordinary Resolution No. (1) and on the basis that no further Shares are issued prior to the Annual General Meeting, the Company would be allowed under the Repurchase Proposal to repurchase a maximum of 961,107,240 Shares, representing 10% of the issued share capital of the Company.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders.

Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws and regulations of the Cayman Islands. The Company may not purchase securities on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

In the event that the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31st December, 2007. However, the Directors do not propose to exercise the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the GEM during each of the previous twelve months up to the Latest Practicable Date were as follows:

		Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
April	2007	0.790	0.700
May	2007	0.800	0.730
June	2007	0.910	0.740
July	2007	0.760	0.710
August	2007	0.770	0.590
September	2007	0.720	0.640
October	2007	0.680	0.620
November	2007	0.660	0.590
December	2007	0.640	0.560
January	2008	0.610	0.480
February	2008	0.590	0.485
March	2008	0.560	0.330
1st April, 2008 to the Latest Practicable Date		0.405	0.360

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to Ordinary Resolution No. (2) and in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Proposal if such is approved by the Shareholders.

No other connected persons (as defined in the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

6. TAKEOVERS CODE

If on exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code.

As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, an indirect wholly-owned subsidiary of CKH held 4,258,634,570 Shares, representing approximately 44.30% of the issued share capital of the Company and for the purpose of the SFO, each of (i) Mr. Li Ka-shing, (ii) Li Ka-Shing Unity Trustee Company Limited (“TUT”) as trustee of The Li Ka-Shing Unity Trust (the “LKS Unity Trust”), (iii) Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) as trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”), and (iv) Li Ka-Shing Unity Trustcorp Limited (“TDT2”) as trustee of another discretionary trust (“DT2”) ((ii), (iii) and (iv) together the “Trust Companies”) is taken to be interested in the same 4,258,634,570 Shares. In accordance with the provisions of the SFO, Mr. Li Tzar Kuoi, Victor, as a Director of the Company, is deemed to be interested in 4,260,884,570 Shares comprising the same block of 4,258,634,570 Shares held by the said indirect wholly-owned subsidiary of CKH and 2,250,000 Shares held personally. For the purpose of the Takeovers Code, Mr. Li Tzar Kuoi, Victor is a concert party to Mr. Li Ka-shing. Mr. Li Ka-shing together with his concert parties are taken to have an interest in a total of 4,260,884,570 Shares, representing approximately 44.33% of the issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to Ordinary Resolution No. (2), then (if the present shareholdings otherwise remained the same) the deemed interest of each of CKH and the Trust Companies in the Company would be increased to approximately 49.23% of the issued share capital of the Company and similarly, the deemed interests of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor in the Company would be increased to approximately 49.26% of the issued share capital of the Company. In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Proposal to such an extent that would result in takeover obligation or the public holding of Shares being reduced to below 20% of the issued share capital of the Company.

7. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

1. RESPONSIBILITY STATEMENT

This circular, 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:

- (a) the information contained in this circular is accurate and complete in all material respects and is not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(1) Long positions in the Shares

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interests	Family Interests	Corporate Interests	Other Interests		
Li Tzar Kuoi, Victor	Beneficial owner & beneficiary of trusts	2,250,000	–	–	4,258,634,570 (Note)	4,260,884,570	44.33%
Kam Hing Lam	Interest of child or spouse	–	6,225,000	–	–	6,225,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	2,250,000	–	–	–	2,250,000	0.02%
Yu Ying Choi, Alan Abel	Beneficial owner	2,250,000	–	–	–	2,250,000	0.02%
Chu Kee Hung	Beneficial owner	2,250,000	–	–	–	2,250,000	0.02%
Peter Peace Tulloch	Beneficial owner	1,050,000	–	–	–	1,050,000	0.01%
Wong Yue-chim, Richard	Beneficial owner	375,000	–	–	–	375,000	0.004%
Kwok Eva Lee	Beneficial owner	200,000	–	–	–	200,000	0.002%

Note:

Such 4,258,634,570 Shares are held by a subsidiary of CKH. TUT as trustee of the LKS Unity Trust and companies controlled by TUT as trustee of the LKS Unity Trust hold more than one-third of the issued share capital of CKH. TDT1 as trustee of DT1 and TDT2 as trustee of DT2 hold all issued and outstanding units in the LKS Unity Trust but are not entitled to any interest or share in any particular property comprising the trust assets of the LKS Unity Trust. The discretionary beneficiaries of such discretionary trusts are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children, and Mr. Li Tzar Kai, Richard. Mr. Li Tzar Kuoi, Victor, as a discretionary beneficiary of such discretionary trusts and a Director of the Company, is taken to be interested in those shares of CKH and thus is taken to be interested in those 4,258,634,570 Shares held by the subsidiary of CKH under the SFO.

(2) Long positions in the underlying shares of the Company

Pursuant to the Share Option Scheme, certain Directors in the capacity as beneficial owners were granted unlisted and physically settled share options to subscribe for Shares, details of which as at the Latest Practicable Date were as follows:

Name of Director	Date of grant	Number of share options outstanding as at the Latest Practicable Date	Option period	Subscription price per Share HK\$
Yu Ying Choi, Alan Abel	30/9/2002	348,440	30/9/2003 – 29/9/2012	1.422
	27/1/2003	775,560	27/1/2004 – 26/1/2013	1.286
	19/1/2004	775,560	19/1/2005 – 18/1/2014	1.568
Chu Kee Hung	30/9/2002	348,440	30/9/2003 – 29/9/2012	1.422
	27/1/2003	775,560	27/1/2004 – 26/1/2013	1.286
	19/1/2004	775,560	19/1/2005 – 18/1/2014	1.568

Save as disclosed above, none of the Directors or chief executive of the Company had, as at the Latest Practicable Date, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, Shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or were otherwise notified to the Company were as follows:

(1) Long positions of substantial Shareholders in the Shares

Name	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Gold Rainbow Int'l Limited	Beneficial owner	4,258,634,570	44.30%
Gotak Limited	Interest of a controlled corporation	4,258,634,570 <i>(Note i)</i>	44.30%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	4,258,634,570 <i>(Note ii)</i>	44.30%
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	4,258,634,570 <i>(Note iii)</i>	44.30%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	4,258,634,570 <i>(Note iii)</i>	44.30%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	4,258,634,570 <i>(Note iii)</i>	44.30%
Li Ka-shing	Founder of discretionary trusts & interest of controlled corporations	4,258,634,570 <i>(Note iv)</i>	44.30%
Trueway International Limited	Beneficial owner	2,119,318,286	22.05%
Li Ka Shing Foundation Limited	Interest of controlled corporations	2,835,759,715 <i>(Note v)</i>	29.50%

(2) Long position of other person in the Shares

Name	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Triluck Assets Limited	Beneficial owner	716,441,429	7.45%

Notes:

- i. This represents the same block of Shares as shown against the name of Gold Rainbow above. Since Gold Rainbow is wholly-owned by Gotak Limited, Gotak Limited is deemed to be interested in the same number of Shares in which Gold Rainbow was interested under the SFO.
- ii. As Gotak Limited is wholly-owned by CKH, CKH is deemed to be interested in the same number of Shares which Gotak Limited is deemed to be interested under the SFO.
- iii. TUT as trustee of the LKS Unity Trust and companies controlled by TUT as trustee of the LKS Unity Trust hold more than one-third of the issued share capital of CKH. TDT1 as trustee of DT1 and TDT2 as trustee of DT2 hold all issued and outstanding units in the LKS Unity Trust but are not entitled to any interest or share in any particular property comprising the trust assets of the LKS Unity Trust. Under the SFO, each of TUT as trustee of the LKS Unity Trust, TDT1 as trustee of DT1 and TDT2 as trustee of DT2 is deemed to be interested in the same block of Shares as CKH is deemed to be interested as disclosed in Note ii above.
- iv. As Mr. Li Ka-shing owns one-third of the issued share capital of Li Ka-Shing Unity Holdings Limited which in turn holds the entire issued share capital of TUT, TDT1 and TDT2 and is the settlor and may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, Mr. Li Ka-shing is deemed to be interested in the same number of Shares in which CKH is deemed to be interested as mentioned above under the SFO.
- v. Trueway and Triluck are wholly-owned by Li Ka Shing Foundation Limited (“LKSF”) and LKSF is deemed to be interested in a total of 2,835,759,715 Shares under the SFO, being the aggregate of the Shares in which Trueway and Triluck were interested as shown against the names Trueway and Triluck above.

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following shareholders were interested in 10% or more of the equity interests of the following subsidiaries of the Company:

Name of subsidiary	Name of shareholder	No. and class of shares held	% of shareholding
AquaTower Pty Ltd	Gotak Investment Limited	49 ordinary shares	49%
PT Far East Agritech	PT Anggraini Mulia	60,000 ordinary shares	40%
Vitaquest International Holdings LLC	VQ Investments, Inc.	N/A (Note 1)	19.5% (Note 1)
Polynoma LLC	Maanex LLC	N/A (Note 2)	23.34% (Note 2)

Notes:

1. Vitaquest International Holdings LLC is a limited liability company established under the laws of the state of Delaware, the United States of America, of which VQ Investments, Inc. holds 19.5% partnership interests.
2. Polynoma LLC is a limited liability company established under the laws of the state of Delaware, the United States of America, of which Maanex LLC holds 23.34% partnership interests.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

4. DETAILS OF OPTIONS GRANTED BY THE COMPANY

The Company has adopted the Share Option Scheme under which the Directors or employees of the Company or its subsidiaries or certain other persons may be granted share options to subscribe for Shares subject to the terms and conditions stipulated in the Share Option Scheme.

As at the Latest Practicable Date, options to subscribe for an aggregate of 13,730,221 Shares granted to certain continuous contract employees (including the Executive Directors of the Company as disclosed above) pursuant to the Share Option Scheme were outstanding, details of which were as follows:

Date of grant	Number of share options outstanding as at the Latest Practicable Date	Option period	Subscription price per Share HK\$
30/9/2002	2,421,658	30/9/2003 – 29/9/2012 (Note 1)	1.422
27/1/2003	5,355,859	27/1/2004 – 26/1/2013 (Note 2)	1.286
19/1/2004	5,952,704	19/1/2005 – 18/1/2014 (Note 3)	1.568

Notes:

1. The options are exercisable from 30th September, 2003 to 29th September, 2012 (both days inclusive) subject to the following vesting periods:
 - (i) up to 35% of the options commencing on 30th September, 2003;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing on 30th September, 2004; and
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing on 30th September, 2005.

2. The options are exercisable from 27th January, 2004 to 26th January, 2013 (both days inclusive) subject to the following vesting periods:
- (i) up to 35% of the options commencing on 27th January, 2004;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing on 27th January, 2005; and
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing on 27th January, 2006.
3. The options are exercisable from 19th January, 2005 to 18th January, 2014 (both days inclusive) subject to the following vesting periods:
- (i) up to 35% of the options commencing on 19th January, 2005;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing on 19th January, 2006; and
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing on 19th January, 2007.

5. COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors, management Shareholders or their respective associates in the businesses which compete or may compete, either directly or indirectly, with the businesses of the Group (the “Competing Business”) as required to be disclosed pursuant to the GEM Listing Rules were as follows:

(1) Core business activities of the Group

- (i) Research and development, manufacturing, commercialization, marketing and selling of environmental and human health products.
- (ii) Investment in various financial and investment products.

(2) Interests in Competing Business

Name of Director	Name of Company	Nature of Interest	Competing Business (Note 2)
Li Tzar Kuoi, Victor	Cheung Kong (Holdings) Limited	Managing Director and Deputy Chairman (Note 1)	(ii)
	Hutchison Whampoa Limited	Executive Director and Deputy Chairman (Note 1)	(i) & (ii)
	Cheung Kong Infrastructure Holdings Limited	Chairman (Note 1)	(i) & (ii)
	Hongkong Electric Holdings Limited	Executive Director (Note 1)	(ii)

Name of Director	Name of Company	Nature of Interest	Competing Business (Note 2)
Kam Hing Lam	Cheung Kong (Holdings) Limited	Deputy Managing Director (Note 1)	(ii)
	Hutchison Whampoa Limited	Executive Director (Note 1)	(i) & (ii)
	Cheung Kong Infrastructure Holdings Limited	Group Managing Director (Note 1)	(i) & (ii)
	Hongkong Electric Holdings Limited	Executive Director	(ii)
Ip Tak Chuen, Edmond	Cheung Kong (Holdings) Limited	Deputy Managing Director	(ii)
	Cheung Kong Infrastructure Holdings Limited	Executive Director and Deputy Chairman	(i) & (ii)
	TOM Group Limited	Non-executive Director	(ii)
	CATIC International Holdings Limited	Non-executive Director	(ii)
	Excel Technology International Holdings Limited	Non-executive Director	(ii)
	Shougang Concord International Enterprises Company Limited	Non-executive Director	(ii)
	The Ming An (Holdings) Company Limited	Non-executive Director	(ii)
	ARA Asset Management Limited Ruinian International Limited	Non-executive Director Director	(ii) (i)
Yu Ying Choi, Alan Abel	Wex Pharmaceuticals Inc.	Director	(i)
Wong Yue-chim, Richard	Great Eagle Holdings Limited	Independent Non-executive Director	(ii)
	Orient Overseas (International) Limited	Independent Non-executive Director	(ii)
Kwok Eva Lee	Cheung Kong Infrastructure Holdings Limited	Independent Non-executive Director	(i) & (ii)
Colin Stevens Russel	Cheung Kong Infrastructure Holdings Limited	Independent Non-executive Director	(i) & (ii)
	ARA Asset Management Limited	Independent Non-executive Director	(ii)

Notes:

1. Apart from holding the directorships, Mr. Li Tzar Kuoi, Victor and Mr. Kam Hing Lam and/or their respective family members have direct and/or indirect interests in the shares of such companies where appropriate.
2. Such businesses may be made through subsidiaries, associated companies or by way of other forms of investments.

Save as disclosed above, none of the Directors, the management Shareholders or their respective associates have any interests in a business which competes or may compete, either directly or indirectly, with the businesses of the Group.

6. DIRECTORS' INTERESTS IN CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had an existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (b) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31st December, 2007, the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which was significant in relation to the business of the Group.

7. MATERIAL CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31st December, 2007, the date to which the latest published audited financial statements of the Company were made up.

8. EXPERT

- (a) The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
CIMB-GK Securities (HK) Limited	A licensed corporation under the SFO to conduct types 1 (dealing in securities), 4 (advising on securities) and 6 (advising on corporate finance) regulated activities.

- (b) As at the Latest Practicable Date, CIMB-GK did not have any shareholding in any Shares or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group.
- (c) As at the Latest Practicable Date, CIMB-GK did not have any direct or indirect interest in any assets which have been since 31st December, 2007, the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, the Company or any member of the Group.
- (d) CIMB-GK has given and has not withdrawn its written consent to the issue of this circular with inclusion of its letter dated 22nd April, 2008 and the references to its name included herein in the form and context in which they respectively appear.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong on weekdays other than public holidays up to and including 6th May, 2008:

- (a) memorandum and articles of association of the Company;
- (b) the Existing CKH Supply Agreement;
- (c) the Existing HIL Supply Agreement;
- (d) the New CKH Supply Agreement;
- (e) the New HIL Supply Agreement;
- (f) the letter from CIMB-GK, the text of which as set out on pages 20 to 24 of this circular; and
- (g) the written consent from CIMB-GK referred to in paragraph 8(d) of this Appendix.

10. OTHER INFORMATION

- (a) The company secretary of the Company is Ms. Eirene Yeung who is a solicitor of the High Court of Hong Kong and of the Supreme Court of Judicature in England and Wales. She also holds a Master of Science degree in Finance and a Master's degree in Business Administration.
- (b) Mr. Mo Yiu Leung, Jerry is the qualified accountant of the Company. He is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate of the Institute of Chartered Accountants in Australia and the Hong Kong Institute of Certified Public Accountants.
- (c) Mr. Yu Ying Choi, Alan Abel is the compliance officer of the Company. He is currently an Executive Director, and the Vice President and Chief Operating Officer of the Company.
- (d) The registered office of the Company is situated at P.O. Box 309GT, Uglund House, South Church Street, Grand Cayman, Cayman Islands.
- (e) The head office of the Company is situated at 2 Dai Fu Street, Tai Po Industrial Estate, Tai Po, Hong Kong and the principal place of business of the Company is situated at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.
- (f) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (g) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

**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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of CK Life Sciences Int'l. (Holdings) Inc. (the "Company") will be held at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 15th May, 2008 at 10:30 a.m. for the following purposes:

1. To receive the audited Financial Statements, the Report of the Directors and the Independent Auditor's Report for the year ended 31st December, 2007.
2. To elect Directors.
3. To appoint Auditors and authorize the Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

- (1) **"THAT** a general mandate be and is hereby unconditionally given to the Directors to issue and dispose of additional shares (in addition to ordinary shares issued under the share option scheme adopted by the Company on 26th June, 2002) not exceeding twenty per cent of the existing issued share capital of the Company at the date of this Resolution until the next Annual General Meeting ("Relevant Period"), such mandate to include the granting of offers or other options (including bonds and debentures convertible into shares of the Company) which might be exercisable or convertible during or after the Relevant Period."
- (2) **"THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”
 - (3) **“THAT** the general mandate granted to the Directors to issue and dispose of additional shares pursuant to Ordinary Resolution No. 4(1) set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 4(2) set out in the notice convening this meeting, provided that such amount shall not exceed ten per cent of the aggregate nominal amount of the issued share capital of the Company at the date of the said Resolution.”
5. As a special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

- (1) **“THAT:**
 - (a) each of the New CKH Continuing Connected Transactions (as defined and more particularly described in the circular to the shareholders of the Company dated 22nd April, 2008 (the “Circular”)) under or pursuant to the New CKH Supply Agreement (as defined and more particularly described in the Circular, and a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved, with the value of the Products (as defined in the Circular) to be provided by the Group (as defined in the Circular) to the CKH Group (as defined in the Circular) to be subject to the maximum aggregate annual values in each of the three financial years ending 31st December, 2011 as stated below:

	Maximum aggregate annual values (in HK\$)		
	For the year ending 31st December, 2009	For the year ending 31st December, 2010	For the year ending 31st December, 2011
Value of the Products	1,000,000	1,500,000	2,000,000

- (b) the entering into, execution, performance and implementation of the New CKH Supply Agreement and the New CKH Continuing Connected Transactions under or pursuant thereto by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and
- (c) the Directors be and are hereby authorized for and on behalf of the Company to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their discretion consider necessary or desirable for the purposes of or in connection with the implementation of the New CKH Supply Agreement and the New CKH Continuing Connected Transactions under or pursuant thereto.”

(2) **“THAT:**

- (a) each of the New HIL Continuing Connected Transactions (as defined and more particularly described in the circular to the shareholders of the Company dated 22nd April, 2008 (the “Circular”)) under or pursuant to the New HIL Supply Agreement (as defined and more particularly described in the Circular, and a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification) be and is hereby approved, with the value of the Products (as defined in the Circular) to be provided by the Group (as defined in the Circular) to the HIL Group (as defined in the Circular) and the value of the Sales Related Payments (as defined in the Circular) payable by the Group to the HIL Group to be subject to the respective maximum aggregate annual values in each of the three financial years ending 31st December, 2011 as stated below:

	Maximum aggregate annual values (in HK\$)		
	For the year ending 31st December, 2009	For the year ending 31st December, 2010	For the year ending 31st December, 2011
Value of the Products	110,000,000	180,000,000	250,000,000
Value of the Sales Related Payments	17,000,000	27,000,000	38,000,000

- (b) the entering into, execution, performance and implementation of the New HIL Supply Agreement and the New HIL Continuing Connected Transactions under or pursuant thereto by the Directors for and on behalf of the Company be and are hereby approved, confirmed and ratified; and

- (c) the Directors be and are hereby authorized for and on behalf of the Company to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their discretion consider necessary or desirable for the purposes of or in connection with the implementation of the New HIL Supply Agreement and the New HIL Continuing Connected Transactions under or pursuant thereto.”

By Order of the Board

Eirene Yeung

Company Secretary

Hong Kong, 22nd April, 2008

Notes:

- a. At the Annual General Meeting, the Chairman of the Meeting will exercise his power under Article 80 of the Company's Articles of Association to put each of the above resolutions to the vote by way of a poll.
- b. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy to attend and on a poll, vote in his stead. A proxy need not be a member of the Company.
- c. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's principal place of business at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be).
- d. Completion and return of the accompanying proxy form will not preclude a member from attending and voting at the Annual General Meeting or any adjourned meeting (as the case may be) should the member so desires.
- e. The Register of Members of the Company will be closed from Thursday, 8th May, 2008 to Thursday, 15th May, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the Annual General Meeting, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 7th May, 2008.
- f. Concerning item No. 2 above, Mr. Yu Ying Choi, Alan Abel, Dr. Chu Kee Hung and Mr. Colin Stevens Russel will retire by rotation and, being eligible, have offered themselves for re-election at the Annual General Meeting. Details of the above Directors are set out in Appendix I of the circular of the Company dated 22nd April, 2008 (the "Circular"). Details of submitting the proposal by a shareholder for nomination of a person for election as a Director of the Company at the Annual General Meeting are set out under the section headed "Proposed Election of Directors" of the "Letter from the Board" of the Circular.
- g. Concerning Ordinary Resolution No. 4(1) above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the members as a general mandate for the purpose of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

- h. Concerning Ordinary Resolution No. 4(2) above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of the shareholders. The Explanatory Statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the GEM Listing Rules, is set out in Appendix II of the Circular.

- i. Concerning Ordinary Resolutions Nos. 5(1) and 5(2) above, (i) Gold Rainbow Int'l Limited, a wholly-owned subsidiary of Cheung Kong (Holdings) Limited; and (ii) those shareholders who are also common directors of the Company and Cheung Kong (Holdings) Limited and/or Hutchison Whampoa Limited (as the case may be) will abstain from voting in both of the said resolutions as required under the GEM Listing Rules.

Article 80 of the Articles of Association sets out the procedure by which Shareholders may demand a poll:

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the GEM Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (i) the Chairman of the meeting; or
- (ii) at least five Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) any Member or Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
- (iv) any Member or Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Unless a poll is so required under the GEM Listing Rules or duly demanded and, in the latter case, the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

This circular (in both English and Chinese versions) (“Circular”) has been posted on the Company’s website at www.ck-lifesciences.com. Shareholders who have chosen to rely on copies of the Company’s corporate communications (including but not limited to annual reports, summary financial reports (where applicable), half-year reports, summary half-year reports (where applicable), quarter reports, notices of meetings, listing documents, circulars and proxy forms) posted on the Company’s website in lieu of the printed copies thereof may request the printed copy of the Circular.

Shareholders who have chosen to receive the corporate communications using electronic means through the Company’s website and who for any reason have difficulty in receiving or gaining access to the Circular posted on the Company’s website will promptly upon request be sent the Circular in printed form free of charge.

Shareholders may at any time choose to change your choice as to the means of receipt (i.e. in printed form or by electronic means through the Company’s website) and/or the language of the Company’s corporate communications by notice in writing to the Company’s Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

Shareholders who have chosen to receive printed copy of the corporate communications in either English or Chinese version will receive both English and Chinese versions of this Circular since both languages are bound together into one booklet.