

Poised for
Promising
Growth



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)

Third Quarter Report 2006

Characteristics of the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

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 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.

This document, for which the directors (the "Directors") of CK Life Sciences Int'l., (Holdings) Inc. (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (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 document 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 document misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

Chairman's Statement

Attaining New Heights

CK Life Sciences Int'l., (Holdings) Inc. ("CK Life Sciences" or the "Group") has scaled new heights in sales and profitability. Following a strong result in the first two quarters, upward sales momentum was sustained during the third quarter.

Profit and Sales Up Nearly 3 Times

HK\$m	The Third Quarter			First Three Quarters Ended 30 September		
	2006	2005	Change	2006	2005	Change
Sales revenue	558.4	213.3	+162%	1,426.7	368.3	+287%
Investment proceeds	<u>21.7</u>	<u>43.0</u>	-50%	<u>75.5</u>	<u>117.2</u>	-36%
Total revenue	580.1	256.3	+126%	1,502.2	485.5	+209%
Profit attributable to shareholders	18.5	5.0	+270%	33.3	8.3	+301%

For the third quarter ended 30 September 2006, the Group's total revenue rose to HK\$580 million, doubling that over the same period last year. Profit attributable to shareholders exceeded HK\$18 million, an increase of over 2½ times from that of the third quarter of last year.

The strong third quarter results have brought the year to date performance to new peaks. For the nine months ended 30 September 2006, sales revenue exceeded HK\$1.4 billion, an almost 3-fold increase over the same period in 2005, while total revenue amounted to HK\$1.5 billion, a surge of 2 times over last year. Overall, profit attributable to shareholders increased 3 times to over HK\$33 million.

The Board of Directors has not declared any dividend for the period under review (2005: Nil).

Chairman's Statement (cont'd)

Sustained Quarter-on-Quarter Growth

The continued quarter-on-quarter increases in 2006 are a reflection of the Group's positive and ongoing growth trend.

HK\$m	2006				
	Q1	Q2	Q3	Change Q2 vs Q1	Change Q3 vs Q2
Sales revenue	408.0	460.4	558.4	+13%	+21%
Investment proceeds	<u>19.5</u>	<u>34.2</u>	<u>21.7</u>	+75%	-37%
Total revenue	427.5	494.6	580.1	+16%	+17%
Profit attributable to shareholders	2.1	12.7	18.5	+505%	+46%

Quarterly Sales Exceed HK\$500 Million

HK\$m	The Third Quarter		
	2006	2005	Change
Health-related Business	396.3	57.6	+588%
Agriculture-related Business	162.1	155.7	+4%
Total sales	558.4	213.3	+162%

Chairman's Statement (cont'd)

Health-related Sales Surge Nearly 6 Times

Sales for health-related business increased nearly 6 times, nearing the HK\$400 million mark.

Sales performance was greatly enhanced by the recent acquisition and contribution from Vitaquest International Holdings LLC.

In this quarter, we made our first foray into the European market with the milestone launch of the Adrien Gagnon ("A.G.") Natural Health brand in the Netherlands at over 700 Kruidvat stores. Kruidvat — owned by the A.S. Watson Group, also a member of the Cheung Kong Group — is the market leader in the Netherlands' health & beauty retail sector.

In Canada, the performance of Santé Naturelle A.G. Ltée continues to be good and A.G. remains the leading nutraceutical brand in Québec, Canada. Meanwhile in Hong Kong, the A.G. line of nutraceuticals continues to be well received with potent sales growth achieved.

Agriculture-related Revenue Totals Over HK\$160 Million

Growth was reported in our agriculture-related business as sales reached in excess of HK\$160 million during the period under review.

The Australian operations reported steady progress during the third quarter, while sales of the eco-fertilizer have picked up steadily in Asia, particularly in Vietnam, Korea, Japan and the Philippines.

Continued R&D Progress

Our commitment to R&D is unwavering and our expert team of scientists and researchers continue to work diligently to develop new technology and product applications for our core business areas.

We have expanded our research platform from microbes to herbs and antibodies. Based on these areas of research, we are committed to developing new technologies that enhance human health and improve environmental sustainability.

Substantial resources will also be dedicated to product development as we continue to expand our existing product lines in both health and agriculture related areas.

Chairman's Statement (cont'd)

Strong Financial Position

Our financial position is very strong. Cash and net financial assets on hand amounted to HK\$1.55 billion, while bank loans totalled HK\$598 million at the end of third quarter of 2006. We have ample liquidity to fund sales growth, extensive R&D programmes and acquisition strategies — all of which are expected to progress rapidly.

Prospects

To accelerate our pace of growth and global expansion, we will continue to seek new acquisitions to bolster our human health and environmental businesses.

Nutraceutical sales development is an area we will continue to focus on. By leveraging on the global sales network and leadership position of our retail partner, the A.S. Watson Group, we aim to bring our products to more markets. Plans are on the drawing board to launch the A.G. brand in more markets in Asia and Europe in the near future.

We are pleased to record a strong performance for the third quarter 2006 and we believe all the ingredients are in place for continued growth momentum for the rest of the year and beyond. I would like to thank our shareholders, Board of Directors, our staff and our business partners for their steadfast support.

Li Tzar Kuoi, Victor

Chairman

Hong Kong, 13 November 2006

Condensed Consolidated Income Statement

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000	2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000
Turnover	2	580,064	256,284	1,502,214	485,520
Cost of sales		(356,320)	(137,059)	(910,631)	(261,421)
		223,744	119,225	591,583	224,099
Other income	3	4,618	21,821	31,507	58,063
Staff costs	4	(73,720)	(38,563)	(198,843)	(103,781)
Depreciation		(8,667)	(7,298)	(25,787)	(20,769)
Amortization of intangible assets		(8,215)	(691)	(13,664)	(2,272)
Fair value change of financial instruments		(4,634)	(6,823)	(58,340)	(7,928)
Other operating expenses		(97,655)	(74,302)	(252,013)	(127,488)
Finance costs		(7,904)	(2,762)	(29,303)	(7,996)
Share of results of associates		(1,806)	(75)	(816)	4,728
Profit before taxation		25,761	10,532	44,324	16,656
Taxation	5	(7,182)	(5,487)	(947)	(8,108)
Profit for the period		18,579	5,045	43,377	8,548
Attributable to:					
Equity holders of the Company		18,518	5,028	33,303	8,324
Minority interests		61	17	10,074	224
		18,579	5,045	43,377	8,548
Earnings per share	6				
– basic		0.19 cent	0.07 cent	0.39 cent	0.12 cent
– diluted		N/A	N/A	N/A	N/A

Notes

1. Basis of preparation

The unaudited consolidated results of the Group have been prepared in accordance with accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the GEM Listing Rules. They have also been prepared under the historical cost convention, as modified for the revaluation of certain fixed assets and financial instruments.

The accounting policies used in preparing the unaudited consolidated results are consistent with those used in the Group's annual financial statements for the year ended 31 December 2005.

2. Turnover

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts as well as income from investments, and is analysed as follows:

	For the nine months ended	
	30 September	
	2006	2005
	HK\$'000	HK\$'000
Environment	413,143	289,263
Health	1,013,613	79,035
Investment income	75,458	117,222
	1,502,214	485,520

3. Other income

Other income mainly comprises income from bank deposits and gain on disposal of financial instruments.

Notes (cont'd)

4. Staff costs

Staff costs which include salaries, bonuses, equity-settled share-based payment, retirement benefit scheme contribution and recruitment costs for the three months and nine months ended 30 September 2006 respectively amounted to HK\$119,194,000 (2005: HK\$44,719,000) and HK\$326,250,000 (2005: HK\$122,408,000) of which HK\$2,721,000 (2005: HK\$6,156,000) and HK\$14,005,000 (2005: HK\$18,627,000) relating to development activities were capitalized and HK\$42,753,000 (2005: Nil) and HK\$113,402,000 (2005: Nil) were allocated to cost of sales.

5. Taxation

	For the nine months ended	
	30 September	
	2006	2005
	HK\$'000	HK\$'000
Overseas		
Current tax	947	8,108

No provision for Hong Kong Profits Tax was made as there was no assessable profit for the three months and nine months respectively ended 30 September 2006 as well as the corresponding last periods.

Notes (cont'd)

6. Earnings per share

The calculations of the basic and diluted earnings per share are based on the following data:

	For the three months ended 30 September		For the nine months ended 30 September	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Profit for the period				
Profit for calculating basic and diluted earnings per share	18,518	5,028	33,303	8,324
Number of shares				
Weighted average number of ordinary shares used in the calculation of basic earnings per share	9,611,072,400	7,201,896,918	8,472,670,799	7,201,896,918

The weighted average numbers of ordinary shares used in the calculation of earnings per share for the three months and nine months ended 30 September 2006 have accounted for the issuance of new shares pursuant to the rights issue which was completed on 10 May 2006. The corresponding numbers of ordinary shares for 2005 have been retrospectively adjusted to reflect the said rights issue.

No diluted earnings per share is presented for the three months and nine months ended 30 September 2006 because there were no dilutive potential ordinary shares in existence during the relevant periods.

7. Dividend

No dividend has been declared by the Board of Directors for the nine months ended 30 September 2006 (2005: Nil).

Notes (cont'd)

8. Movements of reserves

	For the nine months ended	
	30 September	
	2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000
At 1 January	2,095,522	2,154,967
Prior year adjustment – effect of initial adoption of HKAS39	–	(420)
Net profit for the period	33,303	8,324
Items recognized in reserves:		
– Realised on disposal of financial instruments	–	(43,065)
– Surplus on revaluation of financial instruments	2,657	1,847
– Employees share options benefits	390	1,620
– Exchange difference on translation of financial statements of overseas operations	21,350	2,320
Issue of shares under rights issue		
– share premium	1,755,365	–
At 30 September	3,908,587	2,125,593

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2006, 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 Securities and Futures Ordinance ("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 on Securities Transactions by Directors adopted by the Company ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

(1) Long positions in the shares of the Company

Name of Director	Capacity	Number of Ordinary Shares				Total	Approximate % of Shareholding
		Personal Interests	Family Interests	Corporate Interests	Other Interests		
Li Tzar Kuo, 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%

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (cont'd)

Note:

Such 4,258,634,570 shares are held by a subsidiary of Cheung Kong (Holdings) Limited ("Cheung Kong Holdings"). Li Ka-Shing Unity Trustee Company Limited ("TUT") as trustee of The Li Ka-Shing Unity Trust (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 Cheung Kong Holdings. Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("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 Cheung Kong Holdings and thus is taken to be interested in those 4,258,634,570 shares held by the subsidiary of Cheung Kong Holdings under the SFO.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (cont'd)

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

Pursuant to the share option scheme adopted by the Company on 26 June 2002 (the "Share Option Scheme"), certain Directors in the capacity as beneficial owners were granted unlisted and physically settled share options to subscribe for shares of the Company, details of which as at 30 September 2006 were as follows:

Name of Director	Date of grant	Number of share options					Outstanding as at 30 September 2006	Option period	Subscription price per share	
		Outstanding as at 1 January 2006	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Adjustment for rights issue			As at date of grant	Upon adjustment after rights issue
								HK\$	HK\$	
Yu Ying Choi,	30/9/2002	310,000	-	-	-	38,440	348,440	30/9/2003 - 29/9/2012	1.598	1.422
Alan Abel	27/1/2003	690,000	-	-	-	85,560	775,560	27/1/2004 - 26/1/2013	1.446	1.286
	19/1/2004	690,000	-	-	-	85,560	775,560	19/1/2005 - 18/1/2014	1.762	1.568
Chu Kee Hung	30/9/2002	310,000	-	-	-	38,440	348,440	30/9/2003 - 29/9/2012	1.598	1.422
	27/1/2003	690,000	-	-	-	85,560	775,560	27/1/2004 - 26/1/2013	1.446	1.286
	19/1/2004	690,000	-	-	-	85,560	775,560	19/1/2005 - 18/1/2014	1.762	1.568

Save as disclosed above, during the nine months ended 30 September 2006, none of the Directors or their respective associates was granted share options to subscribe for shares of the Company, nor had exercised such rights.

Save as disclosed above, none of the Directors or chief executive of the Company had, as at 30 September 2006, 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.

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 of the Company subject to the terms and conditions stipulated in the Share Option Scheme.

As at 30 September 2006, options to subscribe for an aggregate of 16,822,569 shares of the Company 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 30 September 2006	Option period	Subscription price per share	
	Outstanding as at 1 January 2006	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Adjustment for rights issue			As at date of grant HK\$	Upon adjustment after rights issue HK\$
30/9/2002	3,188,500	-	-	(672,776)	-	378,014	2,893,738	30/9/2003 – 29/9/2012 (Note 1)	1.598	1.422
27/11/2003	7,128,200	-	-	(1,506,216)	-	841,239	6,463,223	27/1/2004 – 26/1/2013 (Note 2)	1.446	1.286
19/1/2004	8,154,000	-	-	(1,653,608)	-	965,216	7,465,608	19/1/2005 – 18/1/2014 (Note 3)	1.762	1.568

Notes:

1. The options are exercisable from 30 September 2003 to 29 September 2012 (both days inclusive) subject to the following vesting periods:
 - (i) up to 35% of the options commencing on 30 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 30 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 30 September 2005.

Details of Options Granted by the Company (cont'd)

2. The options are exercisable from 27 January 2004 to 26 January 2013 (both days inclusive) subject to the following vesting periods:
 - (i) up to 35% of the options commencing on 27 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 27 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 27 January 2006.

3. The options are exercisable from 19 January 2005 to 18 January 2014 (both days inclusive) subject to the following vesting periods:
 - (i) up to 35% of the options commencing on 19 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 19 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 19 January 2007.

Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 30 September 2006, 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 of the Company

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 (Note i)	44.30%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	4,258,634,570 (Note ii)	44.30%
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	4,258,634,570 (Note iii)	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 (Note iii)	44.30%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	4,258,634,570 (Note iii)	44.30%
Li Ka-shing	Founder of discretionary trusts & interest of controlled corporations	4,258,634,570 (Note iv)	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 (Note v)	29.50%

Interests and Short Positions of Shareholders (cont'd)

(2) Long position of other person in the shares of the Company

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 in the Company as shown against the name of Gold Rainbow Int'l Limited ("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 Cheung Kong Holdings, Cheung Kong Holdings 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 Cheung Kong Holdings. 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 Cheung Kong Holdings 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 Cheung Kong Holdings is deemed to be interested as mentioned above under the SFO.
- v. Trueway International Limited ("Trueway") and Triluck Assets Limited ("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.

Save as disclosed above, as at 30 September 2006, 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Competing Interests

During the nine months ended 30 September 2006, the interests of Directors, management shareholders of the Company or their respective associates as defined in the GEM Listing Rules (the "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)
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)

Competing Interests (cont'd)

Name of Director	Name of Company	Nature of Interest	Competing Business (Note 2)
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)
	Shoppers Drug Mart Corporation	Independent Director	(i)
Colin Stevens Russel	Cheung Kong Infrastructure Holdings Limited	Independent Non-executive Director	(i) & (ii)

Name of Management Shareholder	Name of Company	Nature of Interest	Competing Business (Note 2)
Li Ka-shing	Cheung Kong (Holdings) Limited	Chairman (Note 1)	(ii)
	Hutchison Whampoa Limited	Chairman (Note 1)	(i) & (ii)

Notes:

1. Apart from holding the directorships, Mr. Li Ka-shing, 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 of the Company 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.

Other Information

Corporate Governance

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices ("Code on CG Practices") as set out in Appendix 15 to the GEM Listing Rules throughout the nine months ended 30 September 2006.

(1) Board Composition and Board Practices

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value. The Board consists of a total of nine Directors, comprising five Executive Directors, one Non-executive Director and three Independent Non-executive Directors. One-third of the Board is Independent Non-executive Directors and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise as required by the GEM Listing Rules. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years in accordance with the Company's Articles of Association and the Code on CG Practices.

The positions of the Chairman of the Board ("Chairman") and the Chief Executive Officer are held by separate individuals with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group's business.

All Directors have made active contribution to the affairs of the Board and the Board has always acted in the best interests of the Group. In addition to regular Board meetings, the Chairman has meetings with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of Executive Directors at least once every year.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and for ensuring that the Board is briefed on all legislative, regulatory and corporate governance developments and that the Board has regard to them when making decisions. The Company Secretary and the Compliance Officer are also directly responsible for the Group's compliance with the continuing obligations of the GEM Listing Rules, Codes on Takeovers and Mergers and Share Repurchases, Companies Ordinance, SFO and other applicable laws, rules and regulations.

The Company has adopted the model code on securities transactions by directors of listed issuers set out in Chapter 5 of the GEM Listing Rules as its own code of conduct regarding Directors' securities transactions, effective 31 March 2004.

Other Information (cont'd)

(2) Internal Controls

The Company has an internal audit function in place to provide an independent assessment of the Group's internal control system and review of its effectiveness in accordance with the Code on CG Practices. The Internal Audit Department prepares its audit plan using a risk based methodology in consultation with, but independent of, the management for review by the audit committee of the Company ("Audit Committee"). The audit work focuses on financial, functional and information technology areas within the audited business units and those areas of the Group's activities with significant perceived risks. An integral part of the internal audit function is to monitor and ensure effective implementation of these internal control systems.

(3) Audit Committee

The Company established the Audit Committee on 26 June 2002 and has formulated its written terms of reference in accordance with the provisions set out in the Code on CG Practices. The existing Audit Committee comprises three Independent Non-executive Directors, namely, Professor Wong Yue-chim, Richard (Chairman of the Audit Committee), Mrs. Kwok Eva Lee and Mr. Colin Stevens Russel. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the external auditors of the Company.

The Group's third quarter report for the nine months ended 30 September 2006 has been reviewed by the Audit Committee.

(4) Remuneration Committee

According to the Code on CG Practices, the Company established its remuneration committee ("Remuneration Committee") on 1 January 2005 with a majority of the members being Independent Non-executive Directors. The existing Remuneration Committee comprises the Chairman of the Board, Mr. Li Tzar Kuoi, Victor (Chairman of the Remuneration Committee), and two Independent Non-executive Directors, namely, Mrs. Kwok Eva Lee and Mr. Colin Stevens Russel.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, and reviewing the specific remuneration packages of all Executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

Other Information (cont'd)

(5) Investor Relations and Communication with Shareholders

The Company establishes different communication channels with shareholders and investors, including (i) printed copies of financial reports, circulars, notices of general meetings and proxy forms required under the GEM Listing Rules, and shareholders can select to receive such documents by electronic means; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) updated and key information of the Group is available on the website of the Company; (iv) the Company's website offers a main communication channel between the Company and its shareholders and investors; (v) regular press conferences and briefing meetings with analysts from the investment sectors are set up from time to time on updated performance information of the Group; and (vi) the Company's Branch Share Registrar deals with shareholders for share registration matters.

Purchase, Sale or Redemption of the Company's Listed Securities

During the nine months ended 30 September 2006, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Corporate Information and Key Date

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, Technology and Product
Development*

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

Audit Committee

WONG Yue-chim, Richard

Chairman

KWOK Eva Lee

Colin Stevens RUSSEL

Remuneration Committee

LI Tzar Kuoi, Victor

Chairman

KWOK Eva Lee

Colin Stevens RUSSEL

Company Secretary

Eirene YEUNG

Qualified Accountant

MO Yiu Leung, Jerry

Compliance Officer

YU Ying Choi, Alan Abel

Authorized Representatives

IP Tak Chuen, Edmond

Eirene YEUNG

Auditors

Deloitte Touche Tohmatsu

Corporate Information and Key Date (cont'd)

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
JP Morgan Chase Bank, N.A.
Canadian Imperial Bank of Commerce
Commonwealth Bank of Australia

Legal Advisers

Woo, Kwan, Lee & Lo

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

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street, P.O. Box 705
George Town
Grand Cayman
Cayman Islands

Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Rooms 1712 – 1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Hong Kong

Stock Codes

The Stock Exchange of Hong Kong Limited: 8222
Bloomberg: 8222 HK
Reuters: 8222.HK

Website

<http://www.ck-lifesciences.com>

Key Date

Third Quarter Results Announcement 13.11.2006