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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)

### **PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES**

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A form of proxy for use at the annual general meeting of CK Life Sciences Int'l., (Holdings) Inc. (the "Company") to be held at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on 22nd May, 2003 ("Annual General Meeting") is enclosed with the Annual Report for the year ended 31st December, 2002 ("2002 Annual Report"). Whether or not you are able to attend the Annual General Meeting in person, please complete and return the form of proxy 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 form of proxy 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.

This circular, for which the Directors of 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 ("GEM") of The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors of the Company, 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 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.

This circular will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://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](http://www.ck-lifesciences.com).

24th March, 2003



# 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)

## Board of Directors

### Chairman

LI Tzar Kuoi, Victor

### Executive Directors

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*

PANG Shiu Fun *Vice President and Chief Technology Officer*

CHU Kee Hung *Vice President and Chief Production Officer*

LAM Hing Chau, Leon *Vice President and Chief Financial Officer*

### Non-executive Directors

KWAN Chiu Yin, Robert

Peter Peace TULLOCH

### Independent Non-executive Directors

WONG Yue-chim, Richard

KWOK, Eva Lee

## Company Secretary

Eirene YEUNG

## Registered Office

P.O. Box 309GT

Ugland House

South Church Street

Grand Cayman

Cayman Islands

## Principal Place of Business

7th Floor, Cheung Kong Center

2 Queen's Road Central

Hong Kong

24th March, 2003

Dear Shareholder(s),

## PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

### INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting. These include the ordinary resolutions granting the Directors general mandates to issue and repurchase shares of the Company.

### PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES

A general mandate is proposed to be unconditionally given to the Directors to issue and dispose of additional shares not exceeding 20% of the issued share capital of the Company at the date of the resolution until the next annual general meeting. The relevant resolution is set out as Ordinary Resolution No. 4(1) in the Notice of Annual General Meeting dated 6th March, 2003 ("Ordinary Resolution No. (1)") which is contained in the Company's 2002 Annual Report.

Concerning Ordinary Resolution No. (1), 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 shareholders as a general mandate for the purposes of the GEM Listing Rules.

## **PROPOSAL TO AUTHORIZE THE REPURCHASE OF SHARES OF THE COMPANY**

On 26th June, 2002, written resolutions of the then shareholders of the Company were passed giving a general mandate to the Directors to exercise the power of the Company to repurchase shares of HK\$0.10 each of the Company (“Share(s)”). Such mandate will lapse at the conclusion of the 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 dated 6th March, 2003 (“Ordinary Resolution No. (2)”) to give a fresh general mandate to the Directors to exercise the power of the Company to repurchase Shares(s).

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 Directors 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 the Appendix to this circular.

## **GENERAL INFORMATION**

The Notice of Annual General Meeting is set out in the 2002 Annual Report which has been despatched to shareholders of the Company.

A form of proxy for use at the Annual General Meeting is enclosed with the 2002 Annual Report. Whether or not you are able to attend the Annual General Meeting in person, please complete and return the form of proxy 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 form of proxy 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.

## **RECOMMENDATION**

The Directors consider that the proposed general mandate to issue new shares and the Repurchase Proposal at the Annual General Meeting are both in the best interests of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of the ordinary resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

**LI TZAR KUOI, VICTOR**  
Chairman

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

### **1. Share Capital**

As at 18th March, 2003 (the latest practicable date prior to the printing of this circular), the issued share capital of the Company comprised 6,407,000,000 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 640,700,000 Shares.

### **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, the working capital or gearing position of the Company might be materially different as compared with the position disclosed in the audited consolidated financial statements contained in the 2002 Annual Report. 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 eight months from July 2002 to February 2003 (dealings in the Company's Shares only commenced on 16th July, 2002) were as follows:

		<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
July	2002	2.275	1.730
August	2002	2.025	1.710
September	2002	1.830	1.400
October	2002	1.530	1.150
November	2002	1.620	1.300
December	2002	1.590	1.310
January	2003	1.520	1.350
February	2003	1.380	1.260

#### 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 and regulations 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. Hong Kong Code on Takeovers and Mergers

If on the 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 Hong Kong Code on Takeovers and Mergers ("Takeover 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 Takeover Code.

As at 18th March, 2003 (the latest practicable date prior to the printing of this circular), an indirect wholly owned subsidiary of Cheung Kong (Holdings) Limited ("Cheung Kong Holdings") held 2,820,008,571 Shares, representing approximately 44.01% of the issued share capital of the Company and for the purpose of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), each of Li Ka-Shing Unity Holdings Limited, Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust and Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust

(together called the “Trust Companies”) is taken to be interested in the same 2,820,008,571 Shares. In accordance with the provisions of the SDI Ordinance, Mr. Li Tzar Kuoi, Victor, as a Director of the Company, is deemed to be interested in 2,821,508,571 Shares comprising the same block of 2,820,008,571 Shares and 1,500,000 Shares held personally. Apart from the foregoing, Mr. Li Ka-shing held 1,880,005,715 Shares through certain companies in which he beneficially owns more than one-third of their issued share capital. For the purpose of the Takeover 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 4,701,514,286 Shares, representing approximately 73.38% of the issued share capital of the Company. To the best of the knowledge and belief of the Company, no other person, together with his/her associates, was beneficially interested in Shares representing 10% or more 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 Cheung Kong Holdings and the Trust Companies in the Company would be increased to approximately 48.90% 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 81.53% 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 Takeover 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 would be reduced below 25% 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.

*This circular (in both English and Chinese versions) (“Circular”) has been posted on our Company’s website at <http://www.ck-lifesciences.com>. Shareholders who have chosen to rely on copies of the Company’s Corporate Communication (including but not limited to Annual Report, summary financial report (where applicable), Half-year Report, Quarterly Report, notice of meeting, listing document and circular) 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 Communication using electronic means 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) and/or the language of the Company’s Corporate Communication by notice in writing to the Company’s Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1901-1905, 19th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.*

*Shareholders who have chosen to receive printed copy of the Corporate Communication 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.*