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CK Life Sciences Int'l. (Holdings) Inc.

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0775)

DISCLOSEABLE AND CONNECTED TRANSACTIONS

**PROPOSED ACQUISITION OF EQUITY INTEREST IN
DOMINION SALT LIMITED**

AND

**PROPOSED DISPOSAL OF EQUITY INTEREST IN
SALPAK PROPRIETARY LIMITED AND
CEREBOS-SKELLERUP LIMITED**

The Board announces that on 9 May 2017 (after trading hours of the Stock Exchange), MGL (a wholly-owned subsidiary of the Company), Cerebos Gregg's (a wholly-owned subsidiary of Cerebos Pacific), the Company and Cerebos Australia (also a wholly-owned subsidiary of Cerebos Pacific) entered into the Acquisition Agreement, pursuant to which MGL has conditionally agreed to purchase (or to procure that an entity nominated by the Company purchases) and Cerebos Gregg's has conditionally agreed to sell the DSL Shares, representing approximately 50% of the total issued share capital of DSL, at the consideration of AUD33.5 million (equivalent to approximately HK\$193.58 million) (subject to adjustment). The Company has agreed to irrevocably and unconditionally guarantee the performance by MGL of its obligations and liabilities under the Acquisition Agreement. Cerebos Australia has agreed to irrevocably and unconditionally guarantee the performance by Cerebos Gregg's of its obligations and liabilities under the Acquisition Agreement.

On 9 May 2017 (after trading hours of the Stock Exchange), CSL (a wholly-owned subsidiary of the Company), Cerebos Gregg's and the Company entered into the C-Skell Disposal Agreement, pursuant to which CSL has agreed to sell and Cerebos Gregg's has agreed to purchase the C-Skell Shares, representing 49% of the total issued share capital of C-Skell, at the consideration of AUD1.8 million (equivalent to approximately HK\$10.4 million) (subject to adjustment). The Company has agreed to irrevocably and unconditionally guarantee the performance by CSL of its obligations and liabilities under the C-Skell Disposal Agreement.

On 9 May 2017 (after trading hours of the Stock Exchange), Cheetham (a wholly-owned subsidiary of the Company), Cerebos Australia and the Company entered into the Salpak Disposal Agreement, pursuant to which Cheetham has agreed to sell and Cerebos Australia has agreed to purchase the Salpak Shares, representing approximately 55.88% of the total issued share capital of Salpak, at the consideration of AUD18.7 million (equivalent to approximately HK\$108.06 million) (subject to adjustment). The Company has agreed to irrevocably and unconditionally guarantee the performance by Cheetham of its obligations and liabilities under the Salpak Disposal Agreement.

As at 9 May 2017, the total issued share capital of DSL (including voting and non-voting shares) is owned as to approximately 50% by CSL and as to approximately 50% by Cerebos Gregg's; the total issued share capital of C-Skell is owned as to 49% by CSL and as to 51% by Cerebos Gregg's; and the total issued share capital of Salpak (including voting and non-voting shares) is owned as to approximately 55.88% by Cheetham and as to approximately 44.12% by Cerebos Australia. As at 9 May 2017, each of DSL, Salpak and C-Skell is a joint venture of the Group.

The Transaction involves (i) an acquisition of Cerebos Gregg's interest in DSL by MGL; (ii) a disposal of CSL's interest in C-Skell to Cerebos Gregg's; and (iii) a disposal of Cheetham's interest in Salpak to Cerebos Australia. Pursuant to Rule 14.24 of the Listing Rules, since the Transaction involves both acquisition and disposals, the Transaction is classified by reference to the larger of the Acquisition or the Disposals. As the highest of the applicable percentage ratios in respect of the Acquisition exceeds 5% and is lower than 25% and the highest of the applicable percentage ratios in respect of the Disposals (having aggregated the Salpak Disposal with the C-Skell Disposal) also exceeds 5% and is lower than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at 9 May 2017, Cerebos Australia and Cheetham respectively holds approximately 44.12% and approximately 55.88% of the issued share capital (and 51% and 49% of the voting rights) in Salpak, and Salpak is considered to be an indirect non-wholly owned subsidiary of the Company under the Listing Rules. Accordingly, Cerebos Australia (being a substantial shareholder of Salpak) is a connected person of the Company at the subsidiary level, and Cerebos Gregg's, by virtue of also being a subsidiary of Cerebos Pacific (being the holding company of Cerebos Australia), is an associate of Cerebos Australia and a connected person of the Company at the subsidiary level. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) the Board has approved the Acquisition Agreement, the Disposal Agreements and the transactions contemplated thereunder; and (ii) the Directors (including all of the independent non-executive Directors) have confirmed that the terms of the Acquisition Agreement and the Disposal Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Transaction is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As completion of the Acquisition is subject to the fulfilment of certain terms and conditions, and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

1. INTRODUCTION

The Board announces that on 9 May 2017 (after trading hours of the Stock Exchange), MGL (a wholly-owned subsidiary of the Company), Cerebos Gregg's (a wholly-owned subsidiary of Cerebos Pacific), the Company and Cerebos Australia (also a wholly-owned subsidiary of Cerebos Pacific) entered into the Acquisition Agreement, pursuant to which MGL has conditionally agreed to purchase (or to procure that an entity nominated by the Company purchases) and Cerebos Gregg's has conditionally agreed to sell the DSL Shares, representing approximately 50% of the total issued share capital of DSL, at the consideration of AUD33.5 million (equivalent to approximately HK\$193.58 million) (subject to adjustment). The Company has agreed to irrevocably and unconditionally guarantee the performance by MGL of its obligations and liabilities under the Acquisition Agreement. Cerebos Australia has agreed to irrevocably and unconditionally guarantee the performance by Cerebos Gregg's of its obligations and liabilities under the Acquisition Agreement.

On 9 May 2017 (after trading hours of the Stock Exchange), CSL (a wholly-owned subsidiary of the Company), Cerebos Gregg's and the Company entered into the C-Skell Disposal Agreement, pursuant to which CSL has agreed to sell and Cerebos Gregg's has agreed to purchase the C-Skell Shares, representing 49% of the total issued share capital of C-Skell, at the consideration of AUD1.8 million (equivalent to approximately HK\$10.4 million) (subject to adjustment). The Company has agreed to irrevocably and unconditionally guarantee the performance by CSL of its obligations and liabilities under the C-Skell Disposal Agreement.

On 9 May 2017 (after trading hours of the Stock Exchange), Cheetham (a wholly-owned subsidiary of the Company), Cerebos Australia and the Company entered into the Salpak Disposal Agreement, pursuant to which Cheetham has agreed to sell and Cerebos Australia has agreed to purchase the Salpak Shares, representing approximately 55.88% of the total issued share capital of Salpak, at the consideration of AUD18.7 million (equivalent to approximately HK\$108.06 million) (subject to adjustment). The Company has agreed to irrevocably and unconditionally guarantee the performance by Cheetham of its obligations and liabilities under the Salpak Disposal Agreement.

As at 9 May 2017, the total issued share capital of DSL (including voting and non-voting shares) is owned as to approximately 50% by CSL and as to approximately 50% by Cerebos Gregg's; the total issued share capital of C-Skell is owned as to 49% by CSL and as to 51% by Cerebos Gregg's; and the total issued share capital of Salpak (including voting and non-voting shares) is owned as to approximately 55.88% by Cheetham and as to approximately 44.12% by Cerebos Australia. As at 9 May 2017, each of DSL, Salpak and C-Skell is a joint venture of the Group.

2. THE ACQUISITION AGREEMENT

The principal terms of the Acquisition Agreement are summarised below.

(a) Subject matter

Pursuant to the Acquisition Agreement, MGL has conditionally agreed to purchase (or to procure that an entity nominated by the Company purchases) and Cerebos Gregg's has conditionally agreed to sell the DSL Shares, which represent approximately 50% of the total issued share capital of DSL.

(b) Consideration

The consideration for the Acquisition is AUD33.5 million (equivalent to approximately HK\$193.58 million), subject to the following adjustments (save that the maximum amount of any adjustments to be paid by Cerebos Gregg's or MGL (as applicable) to the party receiving the payment of adjustment will not exceed an amount equal to NZD35.8 million (equivalent to approximately HK\$193.48 million)) (the "**DSL Consideration**"):

- (i) if the amount equal to the working capital of DSL as at completion plus net debt of DSL as at completion of the Acquisition ("**DSL Completion Amount**") is less than the amount equal to the sum of estimated working capital and estimated net debt of DSL as specified in the Acquisition Agreement ("**DSL Estimated Amount**"), the consideration will be decreased by 50% of the amount by which DSL Completion Amount is less than DSL Estimated Amount;
- (ii) if DSL Completion Amount exceeds DSL Estimated Amount, the consideration will be increased by 50% of the amount by which DSL Completion Amount exceeds DSL Estimated Amount;
- (iii) if DSL Completion Amount is equal to DSL Estimated Amount, the consideration will not be adjusted.

The adjustment amount will be settled within 5 business days after the date on which DSL Completion Amount is determined in accordance with the terms of the Acquisition Agreement or such other date agreed by the parties.

The DSL Consideration was determined after arm's length negotiations between the parties. The valuation of the DSL Shares as of 28 February 2017 as per valuation report prepared by independent and qualified valuer engaged by the Company, taking into account factors such as market benchmarks, control and marketability, is in the range of AUD31.7 million to AUD34.9 million (equivalent to approximately HK\$183.18 million to HK\$201.67 million).

The Company intends that MGL will settle the DSL Consideration out of the net proceeds of the Disposals and internal resources of the Group.

(c) Condition precedent

Completion of the Acquisition Agreement is conditional upon all necessary consents being received by MGL (or another subsidiary of the Company, as applicable) under the Overseas Investment Act 2005 of New Zealand in respect of the Acquisition (the “**Condition**”).

(d) Loss of contract compensation payment

If completion of the Acquisition Agreement does not take place because (i) a party terminates the Acquisition Agreement for failure to satisfy the Condition, or (ii) the Condition having been satisfied before the End Date, Cerebos Gregg’s fails to transfer the DSL Shares to MGL by the End Date, Cerebos Gregg’s agrees to pay AUD16.7 million (equivalent to approximately HK\$96.5 million) (the “**Loss of Contract Payment**”) to MGL (or another subsidiary of the Company nominated by the Company, as applicable) by the date which is 5 business days after the date on which either (i) or (ii) occurs. If such payment is made by Cerebos Gregg’s, and Cerebos Gregg’s and the Company (and/or its related company) enter into a future transaction for the acquisition of DSL Shares by the Company (or its related company), subject to the terms provided in the Acquisition Agreement, the terms of the future transaction may reflect the reversal of a portion of the economic effect of such payment which may be adjusted to reflect any part of the consideration of the DSL Shares under such future transaction. It is further agreed between MGL and Cerebos Gregg’s on 9 May 2017 that (a) unless and until completion of both Disposals have occurred, Cerebos Gregg’s will not be liable to pay the Loss of Contract Payment to MGL and MGL will not enforce its rights to receive the Loss of Contract Payment; and (b) item (a) will not apply if any of the Disposals has not occurred as a result of failure of Cerebos Gregg’s or Cerebos Australia (as the case may be) to complete the transfer of shares in accordance with the relevant Disposal Agreement.

(e) Completion

Completion of the Acquisition will take place on the last day of the calendar month during which the Condition has been satisfied (or such other date as the parties may agree in writing) (the “**DSL Completion Date**”).

(f) Termination

The Acquisition Agreement may be terminated by notice to the other party before completion upon the occurrence of any of the following events:

- (i) if the Condition has become incapable of satisfaction;
- (ii) if the Condition has not been satisfied before the End Date; or
- (iii) if the Condition has been satisfied on or before the End Date but ceases to be satisfied before completion of the Acquisition.

(g) Guarantee given by the Company and Cerebos Australia

The Company has agreed to irrevocably and unconditionally guarantee to Cerebos Gregg's the due and punctual performance by MGL of all present and future obligations and the payment of all present and future liabilities of MGL under the Acquisition Agreement. The maximum aggregate liability of the Company to Cerebos Gregg's arising out of the Acquisition Agreement will not exceed the maximum liability of MGL under the Acquisition Agreement.

Cerebos Australia has agreed to irrevocably and unconditionally guarantee to MGL the due and punctual performance by Cerebos Gregg's of all present and future obligations and the payment of all present and future liabilities of Cerebos Gregg's under the Acquisition Agreement. The maximum aggregate liability of Cerebos Australia to MGL arising out of the Acquisition Agreement will not exceed the maximum liability of Cerebos Gregg's under the Acquisition Agreement.

3. THE C-SKELL DISPOSAL AGREEMENT

The principal terms of the C-Skell Disposal Agreement are summarised below.

(a) Subject matter

Pursuant to the C-Skell Disposal Agreement, CSL has agreed to sell and Cerebos Gregg's has agreed to purchase the C-Skell Shares, which represent 49% of the total issued share capital of C-Skell.

(b) Consideration

The consideration for the C-Skell Disposal is AUD1.8 million (equivalent to approximately HK\$10.4 million), subject to the following adjustments (save that the maximum amount of any adjustments to be paid by CSL or Cerebos Gregg's (as applicable) to the party receiving the payment of adjustment will not exceed an amount equal to NZD1.9 million (equivalent to approximately HK\$10.27 million)) (the "**C-Skell Consideration**"):

- (i) if the amount equal to the working capital of C-Skell as at completion plus net debt of C-Skell as at completion of the C-Skell Disposal ("**C-Skell Completion Amount**") is less than the amount equal to the sum of estimated working capital and estimated net debt of C-Skell as specified in the C-Skell Disposal Agreement ("**C-Skell Estimated Amount**"), the consideration will be decreased by 49% of the amount by which C-Skell Completion Amount is less than C-Skell Estimated Amount;
- (ii) if C-Skell Completion Amount exceeds C-Skell Estimated Amount, the consideration will be increased by 49% of the amount by which C-Skell Completion Amount exceeds C-Skell Estimated Amount;

(iii) if C-Skell Completion Amount is equal to C-Skell Estimated Amount, the consideration will not be adjusted.

The adjustment amount will be settled within 5 business days after the date on which C-Skell Completion Amount is determined in accordance with the terms of the C-Skell Disposal Agreement or such other date agreed by the parties.

The C-Skell Consideration was determined after arm's length negotiations between the parties. The valuation of the C-Skell Shares as of 28 February 2017 as per valuation report prepared by independent and qualified valuer engaged by the Company, taking into account factors such as market benchmarks, control and marketability, is in the range of AUD1.6 million to AUD1.8 million (equivalent to approximately HK\$9.25 million to HK\$10.4 million).

(c) Completion

Completion of the C-Skell Disposal will take place on 31 October 2017 (or such other date as the parties may agree in writing).

(d) Guarantee given by the Company

The Company has agreed to irrevocably and unconditionally guarantee to Cerebos Gregg's the due and punctual performance by CSL of all present and future obligations and the payment of all present and future liabilities of CSL under the C-Skell Disposal Agreement. The maximum aggregate liability of the Company to Cerebos Gregg's arising out of the C-Skell Disposal Agreement will not exceed the maximum liability of CSL under the C-Skell Disposal Agreement.

4. THE SALPAK DISPOSAL AGREEMENT

The principal terms of the Salpak Disposal Agreement are summarised below.

(a) Subject matter

Pursuant to the Salpak Disposal Agreement, Cheetham has agreed to sell and Cerebos Australia has agreed to purchase the Salpak Shares, which represent approximately 55.88% of the total issued share capital of Salpak.

(b) Consideration

The consideration for the Salpak Disposal is AUD18.7 million (equivalent to approximately HK\$108.06 million). Such consideration will be subject to the following adjustments (save that the maximum amount of any adjustments to be paid by Cheetham or Cerebos Australia (as applicable) to the party receiving the payment of adjustment will not exceed an amount equal to AUD18.7 million (equivalent to approximately HK\$108.06 million)) (the “**Salpak Consideration**”):

- (i) if the amount equal to the working capital of Salpak as at completion plus net debt of Salpak as at completion of the Salpak Disposal (“**Salpak Completion Amount**”) is less than the amount equal to the sum of estimated working capital and estimated net debt of Salpak as specified in the Salpak Disposal Agreement (“**Salpak Estimated Amount**”), the consideration will be decreased by 55.88% of the amount by which Salpak Completion Amount is less than Salpak Estimated Amount;
- (ii) if Salpak Completion Amount exceeds Salpak Estimated Amount, the consideration will be increased by 55.88% of the amount by which Salpak Completion Amount exceeds Salpak Estimated Amount;
- (iii) if Salpak Completion Amount is equal to Salpak Estimated Amount, the consideration will not be adjusted.

The adjustment amount will be settled within 5 business days after the date on which the Salpak Completion Amount is determined in accordance with the terms of the Salpak Disposal Agreement or such other date agreed by the parties.

The Salpak Consideration was determined after arm’s length negotiations between the parties. The valuation of the Salpak Shares as of 28 February 2017 as per valuation report prepared by independent and qualified valuer engaged by the Company, taking into account factors such as market benchmarks, control and marketability, is in the range of AUD17.1 million to AUD18.8 million (equivalent to approximately HK\$98.81 million to HK\$108.64 million).

(c) Completion

Completion of the Salpak Disposal will take place on 31 October 2017 (or such other date as the parties may agree in writing). After completion of the Salpak Disposal, Salpak will cease to be regarded as a subsidiary of the Company under the Listing Rules.

(d) Guarantee given by the Company

The Company has agreed to irrevocably and unconditionally guarantee to Cerebos Australia the due and punctual performance by Cheetham of all present and future obligations and the payment of all present and future liabilities of Cheetham under the Salpak Disposal Agreement. The maximum aggregate liability of the Company to Cerebos Australia arising out of the Salpak Disposal Agreement will not exceed the maximum liability of Cheetham under the Salpak Disposal Agreement.

5. FINANCIAL EFFECTS OF THE ACQUISITION AND THE DISPOSALS

Following completion of the Acquisition, DSL will become a wholly-owned subsidiary of the Company, and the accounts of DSL will be consolidated into those of the Group.

In respect of the Disposals, it is expected that the Company will record a modest loss of approximately AUD0.2 million (equivalent to approximately HK\$1.16 million) (subject to audit and before expenses and taxes) arising from the Disposals, calculated with reference to the aggregate consideration for the Disposals and the carrying value of Salpak and C-Skell as at 30 April 2017.

6. USE OF PROCEEDS

It is expected that the net proceeds from the Disposals will be used for funding part of the consideration for the Acquisition.

7. INFORMATION ON THE GROUP

The principal activities of the Company are investment holding and the activities of its subsidiaries are research and development, manufacturing, commercialisation, marketing, sale of, and investment in, nutraceuticals, pharmaceuticals and agriculture-related products and assets as well as investment in various financial and investment products.

The principal activity of each of CSL and MGL is investment holding.

Cheetham is principally engaged in the business of the production, refining and distribution of salt products (including solar salt and refined solar salt) for both food production and industrial applications throughout Australia, New Zealand and various parts in Asia.

8. INFORMATION ON THE PARTIES INVOLVED IN THE TRANSACTION

(a) Information about Cerebos Australia

Cerebos Australia is engaged in the development, manufacturing, marketing and sale of a broad range of food and beverage products including sauces, gravies, desserts, salt, herbs & spices and fresh coffee mainly sold in Australia and the Asia Pacific region.

(b) Information about Cerebos Gregg's

Cerebos Gregg's is engaged in the development, manufacturing, marketing and sale of a broad range of food and beverage products including sauces, gravies, desserts, salt, herbs & spices, powdered beverages, instant and fresh coffee mainly sold in New Zealand, Australia and the Asia Pacific region.

(c) Information about DSL

DSL is principally engaged in the business of the production and refining of salt (including solar salt and pure dried vacuum salt) in New Zealand.

Based on the audited financial statements of DSL, the audited net asset value of DSL as at 31 December 2016 was approximately NZD28.54 million (equivalent to approximately HK\$154.24 million), and the audited net profit of DSL for the two financial years ended 31 December 2015 and 31 December 2016 were as follows:–

	For the financial year ended 31 December 2015 <i>(in NZD millions)</i>	For the financial year ended 31 December 2016 <i>(in NZD millions)</i>
Net profit before taxation	15.02 (equivalent to approximately HK\$81.17 million)	12.87 (equivalent to approximately HK\$69.55 million)
Net profit after taxation	10.82 (equivalent to approximately HK\$58.48 million)	9.27 (equivalent to approximately HK\$50.10 million)

Based on the information provided by Cerebos Gregg's, as Cerebos Gregg's established DSL and did not acquire the DSL Shares from a third party, there is no original acquisition cost of the DSL Shares.

(d) Information about Salpak

Salpak is principally engaged in the business of marketing and selling retail packaged salt products in Australia and other markets.

Based on the audited financial statements of Salpak, the audited net asset value of Salpak as at 31 December 2016 was approximately AUD5.04 million (equivalent to approximately HK\$29.12 million), and the audited net profit of Salpak for the two financial years ended 31 December 2015 and 31 December 2016 were as follows:–

	For the financial year ended 31 December 2015 <i>(in AUD millions)</i>	For the financial year ended 31 December 2016 <i>(in AUD millions)</i>
Net profit before taxation	6.91 (equivalent to approximately HK\$39.93 million)	7.73 (equivalent to approximately HK\$44.67 million)
Net profit after taxation	4.84 (equivalent to approximately HK\$27.97 million)	5.41 (equivalent to approximately HK\$31.26 million)

(e) Information about C-Skell

C-Skell is principally engaged in the business of marketing and selling retail packaged salt products in New Zealand and other markets.

Based on the audited financial information of C-Skell, the audited net asset value of C-Skell as at 31 December 2016 was approximately NZD1.41 million (equivalent to approximately HK\$7.62 million), and the net profit of C-Skell for the two financial years ended 31 December 2015 and 31 December 2016 were as follows:–

	For the financial year ended 31 December 2015 <i>(in NZD millions)</i>	For the financial year ended 31 December 2016 <i>(in NZD millions)</i>
Net profit before taxation	1.29 (equivalent to approximately HK\$6.97 million)	1.01 (equivalent to approximately HK\$5.46 million)
Net profit after taxation	0.93 (equivalent to approximately HK\$5.03 million)	0.73 (equivalent to approximately HK\$3.95 million)

9. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Transaction is expected to align the joint venture businesses with the Group and Cerebos Australia and Cerebos Gregg's (as the case may be), allowing the Group to focus on its production and refinery business and Cerebos Australia and Cerebos Gregg's on its core fast moving consumer goods capability, and to simplify management and governance of the joint venture companies. DSL is principally engaged in the business of the production and refining of salt in New Zealand. On the other hand, Salpak and C-Skell are mainly engaged in sales, marketing and distribution of retail products in Australia and New Zealand. As DSL's business is almost identical in nature to that of Cheetham in Australia, the Company is of the view that the Acquisition will deepen the Group's salt production and refinery business in Australia and New Zealand. It is also expected that the gain in control over DSL would also improve operational security and efficiency, as unrestricted sharing of expertise may be implemented and Cheetham's involvement in the decision making processes would also be enhanced.

The Acquisition is expected to be earning accretive for the Group and that advice from independent and qualified valuer on the terms of the Transaction has been sought, and after taking into account factors such as market benchmarks, control and marketability, the valuer has reached a conclusion that the terms which the parties have agreed are fair and reasonable.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition Agreement and the Disposal Agreements are fair and reasonable, the Transaction is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the Transaction or is required to abstain from voting on the board resolutions for approval of the same.

10. LISTING RULES IMPLICATIONS

The Transaction involves (i) an acquisition of Cerebos Gregg's interest in DSL by MGL; (ii) a disposal of CSL's interest in C-Skell to Cerebos Gregg's; and (iii) a disposal of Cheetham's interest in Salpak to Cerebos Australia. Pursuant to Rule 14.24 of the Listing Rules, since the Transaction involves both acquisition and disposals, the Transaction is classified by reference to the larger of the Acquisition or the Disposals. As the highest of the applicable percentage ratios in respect of the Acquisition exceeds 5% and is lower than 25% and the highest of the applicable percentage ratios in respect of the Disposals (having aggregated the Salpak Disposal with the C-Skell Disposal) also exceeds 5% and is lower than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at 9 May 2017, Cerebos Australia and Cheetham respectively holds approximately 44.12% and approximately 55.88% of the total issued share capital (and 51% and 49% of the voting rights) in Salpak, and Salpak is considered to be an indirect non-wholly owned subsidiary of the Company under the Listing Rules. Accordingly, Cerebos Australia (being a substantial shareholder of Salpak) is a connected person of the Company at the subsidiary level, and Cerebos Gregg's, by virtue of also being a subsidiary of Cerebos Pacific (being the holding company of Cerebos Australia), is an associate of Cerebos Australia and a connected person of the Company at the subsidiary level. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As (i) the Board has approved the Acquisition Agreement, the Disposal Agreements and the transactions contemplated thereunder; and (ii) the Directors (including all of the independent non-executive Directors) have confirmed that the terms of the Acquisition Agreement and the Disposal Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, pursuant to Rule 14A.101 of the Listing Rules, the Transaction is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

11. FURTHER INFORMATION

As completion of the Acquisition is subject to the fulfilment of certain terms and conditions, and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

12. DEFINITIONS

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

"Acquisition" the proposed acquisition of the DSL Shares by MGL from Cerebos Gregg's pursuant to the Acquisition Agreement

“Acquisition Agreement”	the share purchase agreement dated 9 May 2017 entered into among MGL, Cerebos Gregg’s, the Company and Cerebos Australia in relation to the Acquisition
“AUD”	Australian dollars, the lawful currency of Australia
“Board”	the board of directors of the Company
“Cerebos Australia”	Cerebos (Australia) Limited, a company incorporated under the laws of Australia with limited liability and a wholly-owned subsidiary of Cerebos Pacific
“Cerebos Gregg’s”	Cerebos Gregg’s Limited, a company incorporated under the laws of New Zealand with limited liability and a wholly-owned subsidiary of Cerebos Pacific
“Cerebos Pacific”	Cerebos Pacific Limited, a company incorporated under the laws of Singapore with limited liability and a wholly-owned subsidiary of Suntory Beverage & Food Asia Pte Ltd
“Cheetham”	Cheetham Salt Limited, a company incorporated under the laws of Australia with limited liability and a wholly-owned subsidiary of the Company
“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 the Main Board of the Stock Exchange (Stock Code: 0775)
“Condition”	has the meaning ascribed to it in the section headed “2. <i>The Acquisition Agreement – (c) Condition Precedent</i> ”
“C-Skell”	Cerebos-Skellerup Limited, a company incorporated under the laws of New Zealand with limited liability and a joint venture of the Group, which is owned as to 49% by CSL and 51% by Cerebos Gregg’s as at 9 May 2017
“C-Skell Completion Amount”	has the meaning ascribed to it in the section headed “3. <i>The C-Skell Disposal Agreement – (b) Consideration</i> ”
“C-Skell Consideration”	has the meaning ascribed to it in the section headed “3. <i>The C-Skell Disposal Agreement – (b) Consideration</i> ”
“C-Skell Disposal”	the proposed disposal of the C-Skell Shares by CSL to Cerebos Gregg’s pursuant to the C-Skell Disposal Agreement

“C-Skell Disposal Agreement”	the share purchase agreement dated 9 May 2017 entered into between CSL, Cerebos Gregg’s and the Company in relation to the C-Skell Disposal
“C-Skell Estimated Amount”	has the meaning ascribed to it in the section headed “3. <i>The C-Skell Disposal Agreement – (b) Consideration</i> ”
“C-Skell Shares”	49,000 ordinary shares in the capital of C-Skell, representing 49% of the total issued share capital in C-Skell as at 9 May 2017
“CSL”	CSL (No 3) Pty Limited, a wholly-owned subsidiary of the Company incorporated under the laws of Australia with limited liability
“Directors”	the directors of the Company
“Disposals”	the C-Skell Disposal and the Salpak Disposal
“Disposal Agreements”	the C-Skell Disposal Agreement and the Salpak Disposal Agreement
“DSL”	Dominion Salt Limited, a company incorporated under the laws of New Zealand with limited liability and a joint venture of the Group, which is owned as to approximately 50% by CSL and approximately 50% by Cerebos Gregg’s as at 9 May 2017
“DSL Completion Amount”	has the meaning ascribed to it in the section headed “2. <i>The Acquisition Agreement – (b) Consideration</i> ”
“DSL Completion Date”	has the meaning ascribed to it in the section headed “2. <i>The Acquisition Agreement – (e) Completion</i> ”
“DSL Consideration”	has the meaning ascribed to it in the section headed “2. <i>The Acquisition Agreement – (b) Consideration</i> ”
“DSL Estimated Amount”	has the meaning ascribed to it in the section headed “2. <i>The Acquisition Agreement – (b) Consideration</i> ”
“DSL Shares”	449,998 ordinary shares in the capital of DSL, representing approximately 50% of the total issued share capital in DSL as at 9 May 2017
“End Date”	the date that is 12 months after the date of the Acquisition Agreement, or any other date agreed in writing between the parties to the Acquisition Agreement
“Group”	the Company and its subsidiaries

“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended from time to time)
“Loss of Contract Payment”	has the meaning ascribed to it in the section headed “2. <i>The Acquisition Agreement – (d) Loss of contract compensation payment</i> ”
“MGL”	Mineola Global Limited, a wholly-owned subsidiary of the Company incorporated under the laws of British Virgin Islands with limited liability
“NZD”	New Zealand dollars, the lawful currency of New Zealand
“Salpak”	Salpak Proprietary Limited, a company incorporated under the laws of Australia with limited liability and a joint venture of the Group, the total issued share capital of which is owned as to approximately 55.88% by Cheetham and approximately 44.12% by Cerebos Australia (and the total voting shares of which are owned as to 49% by Cheetham and 51% by Cerebos Australia) as at 9 May 2017
“Salpak Completion Amount”	has the meaning ascribed to it in the section headed “4. <i>The Salpak Disposal Agreement – (b) Consideration</i> ”
“Salpak Consideration”	has the meaning ascribed to it in the section headed “4. <i>The Salpak Disposal Agreement – (b) Consideration</i> ”
“Salpak Estimated Amount”	has the meaning ascribed to it in the section headed “4. <i>The Salpak Disposal Agreement – (b) Consideration</i> ”
“Salpak Shares”	147,000 Class A voting shares and 46,820 Class B non-voting shares in the capital of Salpak, together representing approximately 55.88% of the total issued share capital in Salpak as at 9 May 2017
“Salpak Disposal”	the proposed disposal of the Salpak Shares by Cheetham to Cerebos Australia pursuant to the Salpak Disposal Agreement
“Salpak Disposal Agreement”	the share purchase agreement dated 9 May 2017 entered into between Cheetham, Cerebos Australia and the Company in relation to the Salpak Disposal

“Shareholder”	a shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the Acquisition and the Disposals
“%”	per cent

In this announcement, for illustration purposes only, (i) AUD has been converted to HK\$ at the rate of AUD1.00:HK\$5.7786 and (ii) NZD has been converted to HK\$ at the rate of NZD1.00:HK\$5.4044. No representation is made that any amounts in AUD, NZD or HK\$ have been, could have been or could be converted at any of the above rates or at any other rates or at all.

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

Hong Kong, 10 May 2017

As at the date of this announcement, the Executive Directors of the Company are Mr. Li Tzar Kuoi, Victor (Chairman), Mr. Kam Hing Lam, Mr. Ip Tak Chuen, Edmond, Mr. Yu Ying Choi, Alan Abel and Dr. Chu Kee Hung; and the Non-executive Directors are Mr. Peter Peace Tulloch, Mrs. Kwok Eva Lee (Independent Non-executive Director), Mr. Colin Stevens Russel (Independent Non-executive Director) and Mr. Kwan Kai Cheong (Independent Non-executive Director).