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

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0775)

**DISCLOSEABLE TRANSACTION  
IN RESPECT OF  
THE ACQUISITION OF NANGILOC COLIGNAN FARMS**

The Board announces that on 9 March 2018, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Property Contract and the NSW WAL Contract with the Vendors for the acquisition of the Property and NSW WAL respectively for an aggregate purchase price of AUD46,000,000 (equivalent to approximately HK\$281,474,000).

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

**As settlement of the Acquisition depends on the fulfilment of certain terms and conditions under the Property Contract and the NSW WAL Contract, there remains the possibility that the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

**INTRODUCTION**

The Board announces that on 9 March 2018, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Property Contract and the NSW WAL Contract with the Vendors for the acquisition of the Property and NSW WAL respectively for an aggregate purchase price of AUD46,000,000 (equivalent to approximately HK\$281,474,000). Settlement is subject to the simultaneous settlement of the Transaction Documents. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Property is currently used by the Vendors to carry on the business of the Nangiloc Colignan Farms.

## **THE PROPERTY CONTRACT**

### **Date**

9 March 2018

### **Parties to the Property Contract**

- (1) the Purchaser; and
- (2) the Vendors.

### **Asset to be acquired**

The Vendors have agreed to sell and the Purchaser has agreed to purchase the Property, which includes the Land, Water Rights, and all Improvements but excludes the Unpicked Crops. The Property is acquired subject to the terms and conditions of the Property Contract, and in respect of Improvements which comprise plantings in which there are PBRs, the Property is also acquired subject to those PBRs. The address of the Property is Nangiloc Colignan Farms, Boonoonar Road, Brown Road and Watts Lane, Colignan VIC 3494, Australia. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Nangiloc Colignan Farms is one of the largest growers, packers and marketers of premium table grapes and citrus for export and domestic markets in the Sunraysia region of Australia. Further details of the Land are set out as below:-

Goods sold with the Land:	Goods required for the growing of plantings (including but not limited to irrigation infrastructure) and all fixtures and fittings (excluding any tenants fixtures and fittings and the 20 demountable cabins on that part of the Property known as the Caravan Park)
Aggregated site area:	697.44 hectares
Zoning:	Farming Zone

### **Conditions Precedents**

Settlement shall be conditional upon:

- (i) the Vendors procuring (at its cost) the association of water use licences numbers WUL008421, WUL008460 and WUL023468 with water share number WEE019722 (or an association of water use licences which achieve the equivalent outcome to the satisfaction of the Purchaser, acting reasonably). As at the date of the Property Contract, water share number WEE019722 is associated with land that does not form part of the Property being acquired;
- (ii) the Vendors procuring Moras Properties Pty Ltd, Australian Tartaric Products Pty Ltd, Mildura Citrus Pty Limited, the Tenant and the Purchaser to enter into a deed whereby the Mildura Citrus Irrigation System Agreement is transferred to the Tenant and the Purchaser is granted step-in rights with effect from Settlement, by the Sunset Date in accordance with the Umbrella Deed;

- (iii) the Vendors varying any water use licences which are linked to water shares that are not included in the Acquisition so that they only relate to water shares which are included in the Acquisition, to the satisfaction of the Purchaser, acting reasonably;
- (iv) Moras Investments Pty Limited (being one of the Vendors) procuring (at its cost) the Notice of Determination and the Notification Form in registrable form by the Sunset Date in accordance with the NSW WAL Contract;
- (v) the Vendors procuring a fully executed Confirmation Deed in relation to each Variety Agreement by the Sunset Date in accordance with the Umbrella Deed;
- (vi) the Lease being entered into by, among others, the Purchaser and the Tenant and the Tenant providing to the Purchaser (to its satisfaction acting reasonably) all of the items required to be provided by the Tenant to the Purchaser under the Lease prior to the commencing date, including but not limited to a Bank Guarantee and the Tenant's insurances; and
- (vii) the obtaining of the Relevant Approval.

If the above conditions (i) to (vii) have not been satisfied by the Sunset Date, the Purchaser may terminate the Property Contract by notice in writing to the Vendors within two Business Days after the Sunset Date provided that the Purchaser has complied with the relevant provisions under the Property Contract. Upon termination, neither party will have any liability, duty or obligation to the other party except for antecedent breaches, and all parties are released from their obligations under the Property Contract, and the stakeholder of the deposit shall return the deposit paid by the Purchaser under the Property Contract to the Purchaser.

### **Settlement**

The Purchaser and the Vendors shall settle by the Settlement Due Date on which the Acquisition shall be completed. The Property Contract shall be settled simultaneously with the settlement of each of the Transaction Documents.

### **Purchase Price and Payment Terms**

The aggregate purchase price for the Acquisition is AUD 46,000,000 (equivalent to approximately HK\$281,474,000), which is apportioned as to:

- AUD28,703,923 (equivalent to approximately HK\$175,639,305) for the Land and Improvements;
- AUD14,544,077 (equivalent to approximately HK\$88,995,207) for the Water Rights; and
- AUD2,752,000 (equivalent to approximately HK\$16,839,488) for NSW WAL;

according to their respective market value and shall be payable to the Vendors in such allocation as set out in the Property Contract on Settlement. The purchase price shall be satisfied in the following manner:

- (i) a deposit of AUD4,600,000 (equivalent to approximately HK\$28,147,400) shall be paid by the Purchaser to the Vendors' legal representative as stakeholder within 5 Business Days after the date of the Property Contract; and
- (ii) the balance of AUD41,400,000 (equivalent to approximately HK\$253,326,600) plus adjustments for rates such as land tax, Council rates and water rates (if any) shall be paid by the Purchaser on the date of Settlement.

The payment of the purchase price for the Acquisition will be financed by internal resources of the Group. The Group has taken into account the following factors in determining the purchase price for the Acquisition, which was arrived at after arm's length negotiations between the parties: (i) the economic benefits of the Acquisition to the Group; (ii) the future capital appreciation potential of the Property; and (iii) the synergistic effects and strategic value of the Property in relation to the other agricultural properties currently owned by the Group; and (iv) the valuation of not less than AUD46,000,000 of the Property as at 18 December 2017 conducted by an independent valuer.

The supply of the Property made under the Property Contract is a GST-free supply of farm land for farming under the GST Act. If the supply of the Caravan Park is a taxable supply, the Purchaser shall pay the relevant GST amount on Settlement, provided that the Vendors provide to the Purchaser a tax invoice on or before Settlement. If the Australia Taxation Office determines that any other GST is payable by the Vendors under the Property Contract, the Purchaser agrees to pay an additional amount to the Vendors equal to the amount of GST payable.

## **THE NSW WAL CONTRACT**

### **Date**

9 March 2018

### **Parties to the NSW WAL Contract**

- (1) the Purchaser; and
- (2) Moras Investments Pty Limited (being one of the Vendors).

### **Asset to be acquired**

Moras Investments Pty Limited (being one of the Vendors) has agreed to sell and the Purchaser has agreed to purchase the NSW WAL, subject to the terms and conditions of the NSW WAL Contract.

## **Conditions Precedents**

Settlement shall be conditional upon:

- (i) Moras Investments Pty Limited procuring (at its cost) the Notice of Determination and the Notification Form in registrable form by the Sunset Date; and
- (ii) the obtaining of the Relevant Approval.

## **Settlement**

The NSW WAL Contract shall be settled simultaneously with the settlement of each of the Transaction Documents.

## **Purchase Price and Payment Terms**

The consideration of AUD2,752,000 (equivalent to approximately HK\$16,839,488) payable for the NSW WAL is included in the aggregate purchase price of AUD46,000,000 for the Acquisition payable under the Property Contract as described above.

## **INTERDEPENDENCE OF THE TRANSACTION DOCUMENTS**

Each of the Property Contract and the NSW WAL Contract is interdependent with the Transaction Documents. The Property Contract and the NSW WAL Contract will not have any legal force or effect unless and until each Transaction Document has been properly executed by the parties to it and exchanged. The Property Contract and the NSW WAL Contract must be settled simultaneously with the settlement of each of the Transaction Documents.

## **INFORMATION ON THE VENDORS, THE PURCHASER AND THE GROUP**

### **The Vendors**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) since 1960, the Vendors have operated and carried on the Nangiloc Colignan Farms business, a premium horticultural production, packaging and export business in the Sunraysia region of Australia; and (ii) the Vendors and their respective ultimate beneficial owners (if applicable) are Independent Third Parties.

### **The Purchaser**

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

### **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.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition is expected to be earnings accretive for the Group and represents a strategic acquisition of a large scale vineyard and citrus property with recurring cashflow. The Acquisition will enable the Group to expand the geographical coverage and tenant base of its agriculture-related business. Accordingly, the Directors are of the view that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Lease to be entered into between, among others, the Purchaser and the Tenant will be an operating lease and as the total monetary value or the number of leases involved represents less than 200% in the scale of the Group's existing operations conducted through lease arrangements of such kind, the Lease does not constitute a "transaction" of the Company under Rule 14.04(1)(d) of the Listing Rules.

**As settlement of the Acquisition depends on the fulfilment of certain terms and conditions under the Property Contract and the NSW WAL Contract, there remains the possibility that the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

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

“Acquisition”	the acquisition of the Property and the NSW WAL pursuant to the Property Contract and the NSW WAL Contract respectively
“Annual Use Limit”	takes its meaning from the <i>Water Act 1989</i> (Vic) (laws of Australia)
“AUD”	Australian dollars, the lawful currency of Australia

“Bank Guarantee”	a written guarantee with an unconditional obligation to pay and with an expiry date no earlier than six (6) months after the expiry date of the Lease issued by an Australian bank for an amount equivalent to 50% of the sum of the current annual rent at the relevant time and upgrade consideration rent (if any) payable as additional rent for the relevant year plus GST, as it is adjusted following each rent review date
“Board”	the board of directors of the Company
“Business”	the business conducted by the Business Sellers on the Property
“Business Buyers”	Seven Fields Operations Pty Ltd ACN 106 499 656 and Nutrano Produce Group Limited ACN 609 478 597, all of which are Independent Third Parties
“Business Day”	any day that is not a Saturday, Sunday or a public holiday on which Banks (as defined in the Property Contract) are open for general banking business in Melbourne, Australia
“Business Sale and Purchase Agreement”	the agreement for the sale of the Business assets between the Business Sellers, the Business Buyers and others, dated on or about the date of the Property Contract
“Business Sellers”	Moras Properties Pty Ltd, Moras Investments Pty Limited, Grape King Pty Ltd, Nangiloc Colignan Farms Pty Ltd and N.C.F. Pty Ltd, all of which are Independent Third Parties
“Caravan Park”	Lot 2 on Plan of Subdivision 303176X being the land comprised in certificate of title Volume 10002 Folio 235 and known as Colignan Nangiloc Caravan Park, 1160 Boonoonar Road, Colignan Victoria, being part of the Land, and all Improvements on it
“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)

“Confirmation Deed”	<p>in respect of a Variety Agreement:</p> <ul style="list-style-type: none"> <li>(a) a deed of novation (if the variety agreement is assignable);</li> <li>(b) a replacement variety agreement (if the variety agreement stipulates that a new variety agreement is to be entered into when the Land is sold or if it is the preference of the parties); or</li> <li>(c) a new variety agreement (if one does not currently exist in relation to varieties which are being grown on the Land and which are subject to registered plant breeders rights),</li> </ul> <p>under which:</p> <ul style="list-style-type: none"> <li>(i) the relevant Vendor novates its rights and interest in the Variety Agreement to the Tenant and the relevant variety owner (as therein defined) consents to the novation of the Variety Agreement; and</li> <li>(ii) the Purchaser and the relevant variety owner secure certain rights and obligations in respect of the Variety Agreement when the Lease ends or is terminated</li> </ul>
“connected person(s)”	has the meaning ascribed to it under the Listing Rules (as may be amended from time to time)
“Directors”	the directors of the Company
“DPI”	Department of Primary Industries, DPI Water, WaterNSW or any other department or authority replacing those departments, in New South Wales, Australia
“FIRB Act”	the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) (laws of Australia)

“FIRB Approval”	either an unconditional statement from the Treasurer of the Commonwealth of Australia that there is no objection to the Purchaser’s acquisition of the Property and the NSW WAL under the FIRB Act; or a conditional statement from the Treasurer of the Commonwealth of Australia that there is no objection to the Purchaser’s acquisition of the Property or the NSW WAL under the FIRB Act, which is on terms and conditions acceptable to the Purchaser in its absolute discretion
“Group”	the Company and its subsidiaries from time to time
“GST”	has the meaning ascribed to it under the GST Act
“GST Act”	<i>A New Tax System (Goods and Services) Act 1999</i> and includes other GST related legislation and regulations under the legislation, as amended from time to time (laws of Australia)
“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
“Improvements”	all physical buildings and other improvements on or in the Land as at the date of the Property Contract including but not limited to all trees and plantings (subject to any PBRs in any of the plantings) and all irrigation plant, equipment and infrastructure which is the subject of a licence to operate works (comprised in the Water Rights) whether or not it is on the Land or other land
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons

“Land”	ten plots of land separately owned by relevant Vendor/group of Vendors and located in Colignan VIC 3494, Australia, comprised in the certificates of title Volume 10002 Folio 235, Volume 11413 Folio 506, Volume 8980 Folio 463, Volume 11390 Folio 889, Volume 8845 Folio 589, Volume 9140 Folio 906, Volume 9140 Folio 908, Volume 9653 Folio 474, Volume 9140 Folio 912 and Volume 10039 Folio 936
“Lease”	the lease of the Property and the NSW WAL from the Purchaser to the Tenant to commence at Settlement (which is subject to the settlement of the purchase of the Land pursuant to the Property Contract)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mildura Citrus Irrigation System Agreement”	the agreement dated 3 April 2014 between Australian Tartaric Products Pty Ltd, Moras Properties Pty Ltd, Chapman Farms Pty Ltd and Jorja C Pty Ltd as subsequently assigned by Chapman Farms Pty Ltd and Jorja C Pty Ltd to Mildura Citrus Pty Ltd
“Notice of Determination”	a notice of determination issued by DPI under the provisions of the <i>Water Management Act 2000</i> (NSW) (laws of Australia) relating to the Subdivision Application evidencing that DPI has consented to the Subdivision
“Notification Form”	a NSW Land Registry Services form WA prepared by DPI allowing for registration of the Subdivision pursuant to section 71P of the <i>Water Management Act 2000</i> (NSW) (laws of Australia), registration of which has the effect of water access licence WAL19500 being cancelled and two water access licences being granted in place of water access licence WAL19500 (one of which comprises the NSW WAL)

“NSW WAL”	proposed water access licence comprising a share component of 688.77 units, being the share component of 688.77 units formerly comprised in the water access licence WAL 19500 and includes the Water Allocation, from water source New South Wales Murray Regulated River Water Source and water sharing plan New South Wales Murray and Lower Darling Regulated Rivers Water Sources 2016
“NSW WAL Contract”	the agreement dated 9 March 2018 entered into between Moras Investments Pty Limited (being one of the Vendors) and the Purchaser for the acquisition of the NSW WAL (noting that the consideration payable for the NSW WAL is included in the Property Contract)
“PBR(s)”	takes its meaning from the PBR Act
“PBR Act”	the <i>Plant Breeders Right Act 1994</i> (Cth) (laws of Australia)
“Property”	the Land, the Water Rights and all Improvements on the Land, but excluding Unpicked Crops and subject to any PBRs in any plantings
“Property Contract”	the contract of sale dated 9 March 2018 entered between the Vendors and the Purchaser for the acquisition of the Property
“Purchaser”	QWIL Investments Pty Ltd ABN 47 153 274 278, a company incorporated under the laws of Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“Relevant Approval”	<ul style="list-style-type: none"> <li>(i) with respect to the Property Contract, the Vendors obtaining the approval of the Water Authority to transfer the Water Rights from the Vendors to the Purchaser by the Sunset Date with registration of such transfer to take effect following Settlement; and</li> <li>(ii) with respect to the Property Contract and the NSW WAL Contract, the Purchaser receiving FIRB Approval (on terms and conditions acceptable to the Purchaser in its absolute discretion) by the Sunset Date</li> </ul>

“Settlement”	completion of the Acquisition pursuant to the Property Contract and the NSW WAL Contract
“Settlement Due Date”	the date for completion or settlement of each of the Transaction Documents in accordance with the terms of each of the Transaction Documents and the Umbrella Deed
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivision”	subdivision of water access licence WAL19500 pursuant to section 71P of the <i>Water Management Act 2000</i> (NSW) (laws of Australia) so that water access licence WAL19500 is cancelled and two water access licences are granted in place of water access licence WAL19500 (one of which comprises the NSW WAL)
“Subdivision Application”	a completed DPI form titled “Application to subdivide, or to subdivide and change a water access licence” to apply for the Subdivision, or a completed application via “Water Applications Online” at <a href="http://www.waternsw.com.au">www.waternsw.com.au</a> to apply for the Subdivision
“subsidiary(ies)”	has the meaning as ascribed thereto in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Sunset Date”	30 April 2018 or such other date as agreed by the parties to the Umbrella Deed in writing, being the date by which the conditions of the Property Contract must be satisfied
“Tenant”	Seven Fields Operations Pty Ltd ACN 106 499 656, an Independent Third Party
“Transaction Documents”	the Business Sale and Purchase Agreement, the Property Contract and the NSW WAL Contract

“Umbrella Deed”	the umbrella deed dated on or about the date of the Property Contract and the NSW WAL Contract between the parties to the Property Contract and the parties to the Transaction Documents which governs, among other things, the interdependence of the Transaction Documents
"Unpicked Crops"	at the relevant time, any grapes and fruit growing on trees or bushes located on the Land
“Variety Agreement(s)”	the agreement(s) under which the Vendors are licensed to grow, market, sell and pack (as applicable) the citrus and table grapes on the Property
“Vendors”	Moras Properties Pty Ltd ABN 26 146 727 791, Moras Investments Pty Limited ABN 30 008 463 590, N.C.F Pty Ltd ABN 54 008 427 610, Nangiloc Colignan Farms Pty Ltd ABN 81 008 447 603, Grape King Pty Ltd ABN 64 008 447 596, and Bruno Lorenzo Moras, Elizabeth Anne Moras, Dominic Lawrence Moras and Lisa Marie Caminiti as trustees for the Moras Superannuation Fund, all of which are Independent Third Parties; and each of them is referred to as a “Vendor”
“Water”	any water in the allocation bank accounts: (a) for the water use licences set out in the Property Contract; and (b) the water share entitlement WEE019722
“Water Allocation”	takes its meaning from: (a) the <i>Water Act 1989</i> (VIC) (laws of Australia) in relation to the Water Rights; and (b) the <i>Water Management Act 2000</i> (NSW) (laws of Australia) in relation to the NSW WAL, but only includes water allocation from and including the water year commencing 1 July 2018

“Water Authority”

The Victorian Minister for Water or the delegate of the Victorian Minister for Water, Lower Murray Urban and Rural Water Corporation ABN 18 475 808 826 trading as Lower Murray Water, whichever is appropriate as the context requires

“Water Rights”

water use licence WUL008460 and the associated licence to operate works WLE062294 and water shares; water use licence WUL023468 and the associated licence to operate works WLE005480 and water shares; and water use licence WUL008421 and the associated licence to operate works WLE005483 and water shares, and includes the Water Allocation and Annual Use Limit, each of which is separately held by the relevant Vendor/group of Vendors

“%”

per cent

For the purpose of illustration only, AUD to HK\$ is translated at a rate of AUD1.00 = HK\$6.1190.

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

Hong Kong, 9 March 2018

*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).*