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

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8222)

MAJOR TRANSACTION

in respect of

the acquisition of entire issued share capital of Paton Fertilizers Pty Ltd

The Board is pleased to announce that on 27 May 2004, Kate, a wholly-owned subsidiary of the Company entered into an agreement with Tholepin Pty Ltd, an independent third party which is not a connected person of the Company (as defined in the GEM Listing Rules) for the sale and purchase of the entire issued share capital of Paton at a total consideration of A\$4 million (approximately HK\$22,120,000) in cash.

The Acquisition contemplated in the Agreement constitutes a major transaction under Chapter 19 of the GEM Listing Rules. On 27 May 2004, the Company received a written approval on the Agreement from a closely allied group of shareholders, namely Gold Rainbow Int'l Limited, Trueway International Limited and Triluck Assets Limited, which have no interest in the Agreement or any transaction contemplated thereunder other than through their equity interests in the Company. No shareholder is required to abstain from voting on the relevant resolution should an extraordinary general meeting be held. Accordingly, no extraordinary general meeting is required to be held to consider the Acquisition contemplated under the Agreement pursuant to Rule 19.44 of the GEM Listing Rules.

A circular containing, amongst other things, further information about the Acquisition will be despatched to the shareholders of the Company as soon as practicable.

THE AGREEMENT

Date: 27 May 2004

Parties: Kate, as the purchaser

Tholepin Pty Ltd, as the vendor, with its principal activities in the manufacturing and sale of fertilizers and plastic products, as well as property investment. So far as the Directors are aware, Tholepin Pty Ltd and its associates have no interests in the Company.

ASSETS TO BE ACQUIRED

The entire issued share capital of Paton.

CONSIDERATION

The total consideration is A\$4 million (approximately HK\$22,120,000). A\$400,000 (approximately HK\$2,212,000) has been paid in cash to the vendor's solicitors as stakeholder upon signing of the Agreement and the balance of the consideration will be payable in cash upon Completion.

INFORMATION ON PATON

Paton has a long established history in the fertilizer business. It provides its customers with one-stop solutions in agronomic consultancy, custom blending, logistics support and product application. The principal activities of Paton are blending, processing, packing and distribution of fertilizers. With a leading edge fertilizer blending technology, Paton focuses on the home gardening, turf and horticulture segments of the market.

Paton is a limited liability company incorporated under the laws of Australia in New South Wales. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Paton and its ultimate shareholders are third parties independent of the Company and connected persons of the Company (as defined under the GEM Listing Rules).

The consideration was arrived at after arm's length negotiations between the parties, in particular, with reference to the distribution network, customer base and turnover of Paton.

The unaudited net book value of the assets of Paton was about A\$1.2 million (approximately HK\$6,636,000) as at 30 June 2003. The unaudited net profits before taxation and extraordinary items for the two years ended 30 June 2002 and 2003 which are immediately preceding the Acquisition were around A\$58,000 (approximately HK\$321,000) and A\$64,000 (approximately HK\$354,000) respectively. The unaudited net profits after taxation and extraordinary items for the said two years were also the same as before taxation and extraordinary items. The unaudited net profits both before and after taxation and extraordinary items for the nine months ended 31 March 2004 were about A\$264,000 (approximately HK\$1,460,000).

REASONS FOR ENTERING INTO THE ACQUISITION

The reasons for the Acquisition are:

- 1) Paton has a dedicated sales force who can be mobilized to sell the Group's NutriSmart™ products in a short period of time;
- 2) Paton has agronomic and blending technologies which will facilitate acceptance of the Group's NutriSmart™ product in the market;
- 3) Paton has blending, packing and distribution facilities which can be adapted and expanded to manufacture the Group's NutriSmart™ product range, reducing logistics costs and improving customer service;
- 4) Paton's range of fertilizers is a welcome addition to the Group's portfolio, and will help the Group secure market share in the fertilizer industry; and
- 5) Paton has access to a distribution network and customer base which will be a strong foundation on which to build penetration for the Group's NutriSmart™ range of products.

The Directors believe that with the Acquisition the Company would further expand into the horticultural, home gardening and turf markets and the Acquisition will help widen the Group's product range and accelerate its business expansion in the Australian fertilizer market.

GENERAL

The Directors consider that the Agreement is entered into on normal commercial terms in the ordinary and usual course of business of the Group and that the terms of the Agreement are fair and reasonable and in the best interests of the Group so far as the interests of the shareholders of the Company are concerned.

The business operations of the Group primarily include research and development, commercialization, marketing and sale of biotechnology products. The Group is engaged in identifying needs and developing revolutionary biotechnology solutions for the improvement of human health and environmental sustainability. The Group also focuses on development of patent-protected products which provide new and improved solutions in sustainable land and water use, disease prevention and treatment, nutritional balance and skin care. Its work primarily involves the application of scientifically advanced methods and processes by which selected microbes, particularly yeasts with undiscovered potential are activated and acclimatised to perform specific functions in either the human body or the natural environment.

The Acquisition contemplated in the Agreement constitutes a major transaction under Chapter 19 of the GEM Listing Rules. On 27 May 2004, the Company received a written approval on the Agreement from a closely allied group of shareholders, namely Gold Rainbow Int'l Limited, Trueway International Limited and Triluck Assets Limited which have no interest in the Agreement or any transaction contemplated thereunder other than through their equity interests in the Company. The shareholding interests of Gold Rainbow Int'l Limited, Trueway International Limited and Triluck Assets Limited in the Company are 2,820,008,571 shares (representing approximately 44.01%), 1,410,004,286 shares (representing approximately 22.01%) and 470,001,429 shares (representing approximately 7.34%). Gold Rainbow Int'l Limited is an indirect wholly-owned subsidiary of Cheung Kong (Holdings) Limited. Trueway International Limited and Triluck Assets Limited are both indirectly wholly-owned by Mr. Li Ka-shing who is the Chairman of Cheung Kong (Holdings) Limited. No shareholder is required to abstain from voting on the relevant resolution should an extraordinary general meeting be held. Accordingly, no extraordinary general meeting is required to be held to consider the Acquisition contemplated under the Agreement pursuant to Rule 19.44 of the GEM Listing Rules.

A circular containing, amongst other things, further information about the Acquisition will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

"Acquisition"	the acquisition of the entire issued share capital of Paton
"Agreement"	the sale and purchase agreement dated 27 May 2004 entered into between Kate as purchaser and Tholepin Pty Ltd as vendor in relation to the sale and purchase of the entire issued share capital of Paton

"Board"	the board of directors of the Company
"Company"	CK Life Sciences Int'l., (Holdings) Inc., a company incorporated in the Cayman Islands with limited liability
"Completion"	5 business days after all the conditions in the Agreement are fulfilled or waived by Kate
"Directors"	directors of the Company
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
"Group"	the Company and its subsidiaries
"Kate"	Kate Investment Holdings (Australia) Pty Limited, a wholly-owned subsidiary of the Company incorporated in Australia
"Paton"	Paton Fertilizers Pty Ltd, a company incorporated in Australia
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"A\$"	the lawful currency of Australia
"HK\$"	the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China

For the purpose of illustration only, A\$ to HK\$ is translated at a rate of A\$1.00 = HK\$5.53.

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

Hong Kong, 27 May 2004

As at the date hereof, the Chairman of the Company is Li Tzar Kuoi, Victor; the Executive Directors are Kam Hing Lam, Ip Tak Chuen, Edmond, Yu Ying Choi, Alan Abel, Pang Shiu Fun, Chu Kee Hung and Lam Hing Chau, Leon; the Non-executive Directors are Kwan Chiu Yin, Robert and Peter Peace Tulloch; and the Independent Non-executive Directors are Wong Yue-chim, Richard and Kwok Eva Lee.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statements in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.