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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 TRANSACTIONS

**in respect of
the disposal of equity interests in
Nanjing Green Union Eco-Technology Limited,
Jiangsu Technology Union Eco-fertilizer Limited
and Jiangsu Prosperous Union Crop Sciences Limited**

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the day of its posting and on the website of the Company at www.ck-lifesciences.com.

22 June 2007

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET

The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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 of the Stock Exchange 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.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I – Financial information of the Group	11
Appendix II – General information	12

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context indicates otherwise:

“Agreements”	the NJLP Disposal Agreement, the JT Disposal Agreement and the JSJB Disposal Agreement
“associate(s)”, “connected person(s)” and “substantial shareholder(s)”	shall have the same meaning(s) ascribed to them in the GEM Listing Rules (as may be amended from time to time)
“Board”	the board of directors of the Company
“CKH”	Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. Cheung Kong (Holdings) Limited is an indirect substantial shareholder of the Company
“Company”	CK Life Sciences Int’l, (Holdings) Inc., a company incorporated in the Cayman Islands with limited liability
“Directors”	the directors of the Company
“Disposals”	the disposals by Rimco Resources Limited of 64.51% interests in NJLP and 22.13% interests in Jiangsu Technology and the disposal by Kantin Limited of 49% interests in JSJB pursuant to the Agreements
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“Gold Rainbow”	Gold Rainbow Int’l Limited, an investment holding company incorporated in the British Virgin Islands
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Jiangsu Technology”	江蘇科邦生態肥有限公司 (Jiangsu Technology Union Eco-fertilizer Limited), a company incorporated in PRC

DEFINITIONS

“JSJB”	江蘇振邦農作物科技有限公司 (Jiangsu Prosperous Union Crop Sciences Limited), a company incorporated in PRC
“JSJB Disposal Agreement”	the sale and purchase agreement dated 1 June 2007 and entered into after trading hours on 1 June 2007 between Kantin Limited as seller and the Purchaser as buyer for the sale by Kantin Limited of a total of 49% equity interests in JSJB to the Purchaser
“JT Disposal Agreement”	the sale and purchase agreement dated 1 June 2007 and entered into after trading hours on 1 June 2007 between Rimco Resources Limited as seller and the Purchaser as buyer for the sale by Rimco Resources Limited of a total of 22.13% equity interests in Jiangsu Technology to the Purchaser
“Latest Practicable Date”	16 June 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Model Code”	Model Code on Securities Transactions by Directors adopted by the Company
“NJLP”	南京綠邦生態科技有限公司 (Nanjing Green Union Eco-Technology Limited), a company incorporated in PRC
“NJLP Disposal Agreement”	the sale and purchase agreement dated 1 June 2007 and entered into after trading hours on 1 June 2007 between Rimco Resources Limited as seller and the Purchaser as buyer for the sale by Rimco Resources Limited of a total of 64.51% equity interests in NJLP to the Purchaser
“PRC”	the People’s Republic of China
“Purchaser”	南京第一農藥集團有限公司 (Nanjing First Agricultural Chemical Group Ltd*)
“Red Sun”	南京紅太陽股份有限公司 (Nanjing Red Sun Stock Co Ltd*), a company incorporated in PRC and listed on the Shenzhen Stock Exchange
“Red Sun Group”	Red Sun, its subsidiaries and associates

DEFINITIONS

“RMB”	the lawful currency of PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)” or “Member(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TL”	江蘇長江塗料有限公司 (Jiangsu Chang Jiang Painting Material Company Limited*), a company incorporated in PRC
“Triluck”	Triluck Assets Limited, a company incorporated in the British Virgin Islands
“Trueway”	Trueway International Limited, a company incorporated in the British Virgin Islands

For the purpose of illustration only, RMB to HK\$ is translated at the rate of RMB1 = HK\$1.02 throughout this circular.

LETTER FROM THE BOARD



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)

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 and Chief Scientific Officer*

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*

Company Secretary

Eirene YEUNG

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Ugland House

South Church Street

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Head Office

2 Dai Fu Street

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Hong Kong

22 June 2007

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS

**in respect of
the disposal of equity interests in
Nanjing Green Union Eco-Technology Limited,
Jiangsu Technology Union Eco-fertilizer Limited
and Jiangsu Prosperous Union Crop Sciences Limited**

INTRODUCTION

The Directors refer to the announcement of the Company dated 1 June 2007 in relation to the Agreements entered into between members of the Group as seller and the Purchaser whereby the Purchaser agreed to purchase and (i) Rimco Resources Limited agreed to sell 64.51% equity interests in NJLP at a consideration of RMB15,222,990 and 22.13% equity interests in Jiangsu Technology at a consideration of RMB22,259,681.80; and (ii) Kantin Limited agreed to sell 49% equity interests in JSJB at a consideration of RMB16,292,500. The purpose of this circular is to give you further information in relation to the Disposals.

LETTER FROM THE BOARD

THE NJLP DISPOSAL AGREEMENT

Date: 1 June 2007

Parties: (i) Rimco Resources Limited, an indirect wholly-owned subsidiary of the Company, as seller

(ii) the Purchaser who is and whose ultimate beneficial owners are independent third parties which are not connected persons of the Company and the Company has no prior transactions or relationship with the Purchaser and its ultimate beneficial owners that require aggregation under Rule 19.22 of the GEM Listing Rules

ASSETS TO BE DISPOSED

64.51% equity interests in NJLP. After completion of the transfer of the 64.51% equity interests in NJLP pursuant to the NJLP Disposal Agreement, the Group will cease to have any interest in NJLP.

CONSIDERATION

The total consideration is RMB15,222,990 (approximately HK\$15,527,450), which will be payable as to 30% after signing the relevant documents and approval of the transaction by the government authority, as to 30% to be paid 3 months from the date of the said approval and the remaining 40% to be paid 6 months from the date of the said approval.

INFORMATION ON NJLP

The business operations of NJLP are manufacturing and selling of fertilizers and related businesses. As at the time of signing the NJLP Disposal Agreement, NJLP is owned as to 64.51% by Rimco Resources Limited and as to 35.49% by Red Sun and is currently consolidated and accounted for as a subsidiary in the accounts of the Group. After completion of the disposal of 64.51% interests in NJLP, Rimco Resources Limited will cease to have any interest in NJLP. Red Sun has also agreed to transfer 35.49% equity interests in NJLP to the Purchaser for a consideration of RMB8,374,915, and as a result, upon completion of the NJLP Disposal Agreement, and the disposal by Red Sun of its equity interests in NJLP to the Purchaser, NJLP will become wholly-owned by the Purchaser.

The consideration of RMB15,222,990 was arrived at after arm's length negotiations between Rimco Resources Limited and the Purchaser and by reference to the registered capital of NJLP.

LETTER FROM THE BOARD

The net asset value of NJLP as at 31 December 2006 was approximately RMB21,965,000. The registered capital of NJLP is RMB24,840,000. The net profits before and after taxation and extraordinary items for the year ended 31 December 2005 were both approximately RMB48,000. The net losses before and after taxation and extraordinary items for the year ended 31 December 2006 were both approximately RMB2,746,000. The above financial information of NJLP are based on audited accounts of NJLP prepared in accordance with PRC accounting standards and have been converted in accordance with Hong Kong accounting standards.

THE JT DISPOSAL AGREEMENT

Date: 1 June 2007

Parties: (i) Rimco Resources Limited, an indirect wholly-owned subsidiary of the Company, as seller

(ii) the Purchaser who is and whose ultimate beneficial owners are independent third parties which are not connected persons of the Company

ASSETS TO BE DISPOSED

22.13% equity interests in Jiangsu Technology. After completion of the transfer of the 22.13% equity interests in Jiangsu Technology pursuant to the JT Disposal Agreement, Rimco Resources Limited will retain 25% equity interests in Jiangsu Technology, which had (before completion of the transfer) been accounted for as an associate company in the accounts of the Group and will continue to be so accounted for in the accounts of the Group after completion of the transfer. The Group has no current intention to dispose of the remaining 25% equity interests in Jiangsu Technology held by Rimco Resources Limited.

CONSIDERATION

The total consideration is RMB22,259,681.80 (approximately HK\$22,704,875), which will be payable as to 30% after signing the relevant documents and approval of the transaction by the government authority, as to 30% to be paid 3 months from the date of the said approval and the remaining 40% to be paid 6 months from the date of the said approval.

LETTER FROM THE BOARD

INFORMATION ON JIANGSU TECHNOLOGY

The business operations of Jiangsu Technology are manufacturing and selling of fertilizers. As at the time of signing the JT Disposal Agreement, Jiangsu Technology is owned as to 47.13% by Rimco Resources Limited, as to 47.12% by Red Sun and as to 5.75% by TL. Red Sun has also agreed to transfer 27.12% equity interests in Jiangsu Technology to the Purchaser for a consideration of RMB27,278,910, and as a result, upon completion of the JT Disposal Agreement and the disposal by Red Sun of its equity interests in Jiangsu Technology to the Purchaser, Jiangsu Technology will be owned as to 49.25% by the Purchaser, as to 25% by Rimco Resources Limited, as to 20% by Red Sun and as to 5.75% by TL.

The consideration of RMB22,259,681.80 was arrived at after arm's length negotiations between Rimco Resources Limited and the Purchaser and by reference to the registered capital of Jiangsu Technology.

The net asset value of Jiangsu Technology as at 31 December 2006 was approximately RMB96,127,000. The registered capital of Jiangsu Technology is RMB105,880,000. The net losses before taxation and extraordinary items for the years ended 31 December 2005 and 31 December 2006 were approximately RMB723,000 and RMB9,670,000 respectively. The net losses after taxation and extraordinary items for the years ended 31 December 2005 and 31 December 2006 were approximately RMB877,000 and RMB9,691,000 respectively. The above financial information of Jiangsu Technology are based on audited consolidated accounts of Jiangsu Technology prepared in accordance with PRC accounting standards and have been converted in accordance with Hong Kong accounting standards.

THE JSJB DISPOSAL AGREEMENT

Date: 1 June 2007

Parties: (i) Kantin Limited, an indirect wholly-owned subsidiary of the Company, as seller

(ii) the Purchaser who is and whose ultimate beneficial owners are independent third parties which are not connected persons of the Company

ASSETS TO BE DISPOSED

49% equity interests in JSJB. After completion of the transfer of the 49% equity interests in JSJB pursuant to the JSJB Disposal Agreement, the Group will cease to have any interest in JSJB.

LETTER FROM THE BOARD

CONSIDERATION

The total consideration is RMB16,292,500 (approximately HK\$16,618,350), which will be payable as to 30% after signing the relevant documents and approval of the transaction by the government authority, as to 30% to be paid 3 months from the date of the said approval and the remaining 40% to be paid 6 months from the date of the said approval.

INFORMATION ON JSJB

The business operations of JSJB are production and selling of fertilizers. As at the time of signing the JSJB Disposal Agreement, JSJB is owned as to 49% by Kantin Limited and as to 51% by a subsidiary of Red Sun.

The consideration of RMB16,292,500 was arrived at after arm's length negotiations between Kantin Limited and the Purchaser and by reference to the registered capital of JSJB.

The net asset value of JSJB as at 31 December 2006 was approximately RMB100,773,000. The registered capital of JSJB is RMB35,000,000. The net profit before taxation and extraordinary items for the year ended 31 December 2005 was approximately RMB34,015,000 and the net profit before taxation and extraordinary items for the year ended 31 December 2006 was approximately RMB33,740,000. The net profit after taxation and extraordinary items for the year ended 31 December 2005 was approximately RMB22,166,000 and the net profit after taxation and extraordinary items for the year ended 31 December 2006 was approximately RMB19,772,000. The above financial information of JSJB are based on audited consolidated accounts of JSJB prepared in accordance with PRC accounting standards and have been converted in accordance with Hong Kong accounting standards.

REASONS FOR ENTERING INTO THE DISPOSALS

During the past few years, the Group has been marketing a range of fertilizer products through the joint ventures with the Red Sun Group. As acceptance of, and confidence in, the products in the market increases, the Purchaser has expressed an interest to participate in the manufacturing and selling of eco-fertilizers through the distribution network of the Red Sun Group in the PRC. The parties consider it appropriate to undertake the restructuring to make this possible, so that all parties can concentrate more on their respective strengths. The Purchaser's businesses involve the manufacturing and selling of agricultural chemical, chemical raw materials, agricultural chemical medium and others. It owns 49% of 紅太陽集團有限公司 (Red Sun Group Limited*) that in turn holds 30.2% of Red Sun. Taking into account the consideration for the Disposals and the expected cost, it is estimated that the Group will record a gain of approximately HK\$5,000,000 as a result of the completion of the Disposals. The proceeds from the Disposals will be retained by the Group as general working capital.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE DISPOSALS ON THE GROUP

Based on the unaudited management accounts of NJLP, Jiangsu Technology and JSJB as at 30 April 2007, the aggregate net asset values of the assets to be disposed attributable to the Group is approximately HK\$54,000,000. Taking into account (i) the aggregate consideration of RMB53,775,171.80 (approximately HK\$54,850,675); and (ii) an estimated exchange gain and other related costs, it is estimated that the Group will record a total gain of approximately HK\$5,000,000 as a result of the completion of the Disposals.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group recorded profits attributable to shareholders of approximately HK\$102,022,000 and HK\$30,103,000 for the year ended 31 December 2006 and the quarter ended 31 March 2007, respectively, a 7 times and 13 times increase over the previous corresponding year/period. Turnover grew by 2 times to HK\$2,197,118,000 and 17% to HK\$503,792,000 for the year ended 31 December 2006 and the quarter ended 31 March 2007, respectively, as sales of the health-related products grew by about 10 times to HK\$1,388,635,000 and about 45% to HK\$381,376,000 when compared to the previous corresponding year/period. The development of the Group's nutraceutical business coincides with the fast pace of growth recorded by the global nutritional products industry. The Group's previous acquisitions in North America, namely Santé Naturelle A.G. Ltée and Vitaquest International Holdings LLC, have also played a key role in propelling this development. Following the launch of several new fertilizer product ranges to the market, encouraging growth of the Group's fertilizer-related business is expected in the future.

Going forward, the Group will continue to grow by a four-pronged approach:

- (i) enlarge the scale of its fertilizer and environment business in existing markets, while continuing to extend the geographical coverage;
- (ii) expedite the launch of more health supplements under the VitaGain® brand to broaden its product range;
- (iii) accelerate the R&D progress through collaboration with world renowned institutions;
and
- (iv) continue to look for targeted strategic acquisitions that offer synergies to the Group's existing businesses.

GENERAL

The Directors (including independent non-executive Directors) considered that the Agreements are entered into on normal commercial terms in the ordinary and usual course of business of the Group and that the terms of the Agreements 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.

LETTER FROM THE BOARD

The Company acts as an investment holding company. Its subsidiaries are principally engaged in research and development, manufacturing, commercialization, marketing and selling of environmental and human health products, as well as investment in various financial and investment products.

The principal activities of the Purchaser are the manufacturing and selling of agricultural chemical, chemical raw materials, agricultural chemical medium and others.

The Disposals contemplated in the Agreements in aggregate constitute major transactions for the Company under Chapter 19 of the GEM Listing Rules. No shareholder of the Company is required to abstain from voting if the Company is to convene an extraordinary general meeting to approve the Disposals. On 1 June 2007, the Company received a written approval on the Agreements from a closely allied group of Shareholders, namely Gold Rainbow, Trueway and Triluck together holding approximately 73.81% of the issued share capital of the Company, which have no interest in the Agreements or any transaction contemplated thereunder other than through their equity interests in the Company. The shareholding interests of Gold Rainbow, Trueway and Triluck in the Company are 4,258,634,570 Shares (representing approximately 44.30%), 2,119,318,286 Shares (representing approximately 22.05%) and 716,441,429 Shares (representing approximately 7.45%) respectively. Gold Rainbow is an indirect wholly-owned subsidiary of CKH. Trueway and Triluck are both wholly-owned by Li Ka Shing Foundation Limited. Accordingly, no extraordinary general meeting of the Company is required to be held to consider the Disposals contemplated under the Agreements pursuant to Rule 19.44 of the GEM Listing Rules.

Your attention is also drawn to the appendices to this circular.

Yours faithfully,

By Order of the Board
LI TZAR KUOI, VICTOR
Chairman

1. INDEBTEDNESS STATEMENT**Borrowing**

As at the close of business on 30 April 2007, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had total borrowing of HK\$373,123,000. These borrowings comprised of secured borrowings of HK\$221,988,000, other unsecured loans of HK\$148,482,000 and finance lease obligations of HK\$2,653,000.

Mortgages and Charges

As at 30 April 2007, certain assets with a net book value of HK\$170,630,000 were pledged to secure borrowing facilities granted to the Group.

Contingent Liabilities

As at 30 April 2007, the Group had no significant contingent liabilities.

Disclaimer

Save as aforesaid and apart from intra-Group liabilities, the Group did not, at the close of business on 30 April 2007 have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, obligations under hire purchases contracts or finance leases, guarantees, or other material contingent liabilities.

2. WORKING CAPITAL

The Directors are of the opinion that, upon completion of the Disposals and after taking into accounts the present available facilities and internal resources of the Group and the expected net proceeds to be received from the Disposals, the Group has sufficient working capital for the 12 months from the date of publication of this circular in the absence of unforeseeable circumstances.

1. RESPONSIBILITY STATEMENT

This circular, 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:

- (a) the information contained in this circular is accurate and complete in all material respects and is not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) 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.

2. DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, 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 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, to be notified to the Company and the Stock Exchange, were as follows:

(1) Long positions in the Shares

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

Note:

Such 4,258,634,570 Shares are held by a subsidiary of CKH. 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 CKH. 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 CKH and thus is taken to be interested in those 4,258,634,570 Shares held by the subsidiary of CKH under the SFO.

(2) Long positions in the underlying Shares

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, details of which as at the Latest Practicable Date were as follows:

Name of Director	Date of grant	Number of share options outstanding as at the Latest Practicable Date	Option period	Subscription price per Share HK\$
Yu Ying Choi, Alan Abel	30/9/2002	348,440	30/9/2003 – 29/9/2012	1.422
	27/1/2003	775,560	27/1/2004 – 26/1/2013	1.286
	19/1/2004	775,560	19/1/2005 – 18/1/2014	1.568
Chu Kee Hung	30/9/2002	348,440	30/9/2003 – 29/9/2012	1.422
	27/1/2003	775,560	27/1/2004 – 26/1/2013	1.286
	19/1/2004	775,560	19/1/2005 – 18/1/2014	1.568

Save as disclosed above, none of the Directors or chief executive of the Company had, as at the Latest Practicable Date, 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.

3. INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, Shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares 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

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%

(2) Long position of other person in the Shares

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 as shown against the name of 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 CKH, CKH 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 CKH. 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 CKH 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 CKH is deemed to be interested as mentioned above under the SFO.
- v. Trueway and 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.

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following shareholders were interested in 10% or more of the equity interests of the following subsidiaries of the Company:

Name of subsidiary	Name of shareholder	No. and class of shares held	% of shareholding
AquaTower Pty Ltd	Gotak Investment Limited	49 ordinary shares	49%
Nanjing Green Union Eco-Technology Limited	Nanjing Red Sun Stock Co Ltd	US\$1,064,700 registered capital	35.49%
PT Far East Agritech	PT Anggraini Mulia	60,000 ordinary shares	40%
Vitaquest International Holdings LLC	VQ Investments, Inc.	N/A (Note)	19.5% (Note)

Note: Vitaquest International Holdings LLC is a limited liability company established under the laws of the state of Delaware, the United States of America, of which VQ Investments, Inc. holds 19.5% partnership interests.

Save as disclosed above, as at the Latest Practicable Date, 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 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

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

As at the Latest Practicable Date, options to subscribe for an aggregate of 15,109,593 Shares 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 the Latest Practicable Date	Option period	Subscription price per Share HK\$
30/9/2002	2,668,938	30/9/2003 – 29/9/2012 (Note 1)	1.422
27/1/2003	5,800,063	27/1/2004 – 26/1/2013 (Note 2)	1.286
19/1/2004	6,640,592	19/1/2005 – 18/1/2014 (Note 3)	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.

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.

5. COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors, management Shareholders or their respective 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)
	The Ming An (Holdings) Company Limited	Non-executive Director	(ii)
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)
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:

- 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.
- 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 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.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

7. DIRECTORS' INTERESTS IN CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had an existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (b) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (c) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which was significant in relation to the business of the Group.

8. MATERIAL CONTRACTS

Within the two years preceding the date of this circular, there was no contract (not being contracts entered into in the ordinary course of business) entered into by members of the Group which was or might be material.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong on weekdays other than public holidays up to and including 7 July 2007:

- (a) memorandum and articles of association of the Company;
- (b) the 2005 and 2006 annual reports of the Company for the two financial years ended 31 December 2005 and 2006 respectively;
- (c) the indebtedness statement of the Group as at 30 April 2007 as set out under the section headed "Indebtedness Statement" of Appendix I to this circular; and

- (d) the written approval given by Gold Rainbow, Trueway and Triluck in relation to the Disposals dated 1 June 2007.

10. OTHER INFORMATION

- (a) The company secretary of the Company is Ms. Eirene Yeung who is a solicitor of the High Court of Hong Kong and of the Supreme Court of Judicature in England and Wales. She also holds a Master's degree in Business Administration and a Master of Science degree in Finance.
- (b) Mr. Mo Yiu Leung, Jerry is the qualified accountant of the Company. He is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate of the Institute of Chartered Accountants in Australia and the Hong Kong Institute of Certified Public Accountants.
- (c) Mr. Yu Ying Choi, Alan Abel is the compliance officer of the Company. He is currently an Executive Director, and the Vice President and Chief Operating Officer of the Company.
- (d) The Company established an audit committee ("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 Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules. 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 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, further details of whom are set out below:

WONG Yue-chim, Richard, SBS, JP, aged 55, currently serves as Deputy Vice-Chancellor of The University of Hong Kong. Professor Wong has been active in advancing economic research on policy issues in Hong Kong and Mainland China through his work as founding Director of both The Hong Kong Centre for Economic Research and Hong Kong Institute of Economics and Business Strategy. He was awarded the Silver Bauhinia Star in 1999 by the Government of Hong Kong for his contributions in education, housing, industry and technology development. In addition, he was appointed Justice of the Peace in July 2000. Professor Wong is also an Independent Non-executive Director of each of Great Eagle Holdings Limited, Industrial and Commercial Bank of China (Asia) Limited, Pacific Century Insurance Holdings Limited, Pacific Century Premium Developments Limited, Orient Overseas (International) Limited and Sun Hung Kai Properties Limited. Professor Wong studied Economics at the University of Chicago and graduated with a Doctorate in Philosophy. He was appointed an Independent Non-executive Director of the Group in June 2002 and is the Chairman of the Audit Committee of the Company.

KWOK Eva Lee, aged 65, currently serves as the Chair and Chief Executive Officer of Amara International Investment Corporation. Mrs. Kwok also acts as an Independent Director for Husky Energy Inc. and Bank of Montreal. She is also an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited and a Director of Li Ka Shing (Canada) Foundation. Mrs. Kwok was previously an Independent Director of Shoppers Drug Mart Corporation (*resigned on 16 October 2006*), Air Canada (*resigned on 3 October 2003*) and Telesystems International Wireless (TIW) Inc. (*resigned on 2 December 2003*). Mrs. Kwok was appointed an Independent Non-executive Director of the Group in June 2002 and is a member of the Audit Committee and the Remuneration Committee of the Company.

RUSSEL, Colin Stevens, aged 66, is the founder and Managing Director of Emerging Markets Advisory Services Ltd., a company which provides advisory services to organizations on business strategy and planning, market development, competitive positioning and risk management. He was the Canadian Ambassador to Venezuela (*from 2001 through 2002*), Consul General for Canada in Hong Kong (*from 1997 through 2001*), Director for China of the Department of Foreign Affairs, Ottawa (*from 1994 through 1997*), Director for East Asia Trade in Ottawa (*from 1993 through 1994*), Senior Trade Commissioner for Canada in Hong Kong (*from 1990 through 1993*), Director for Japan Trade in Ottawa (*from 1988 through 1990*), and was in the Trade Commissioner Service for Canada in Spain, Hong Kong, Morocco, the Philippines, London and India (*from 1972 through 1988*). He was Project Manager for RCA Ltd in Liberia, Nigeria, Mexico and India and electronic equipment development engineer in Canada with RCA Ltd and in Britain with Associated Electrical Industries (*from 1962 through 1971*). Mr. Russel is a Professional Engineer and Qualified Commercial Mediator. He received his Master's degree in Business Administration and a degree in electronics engineering from McGill University, Canada. Mr. Russel is an Independent Non-executive Director of Cheung Kong Infrastructure Holdings Limited. He was appointed an Independent Non-executive Director of the Group in January 2005 and is a member of the Audit Committee and the Remuneration Committee of the Company.

- (e) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the GEM Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:
- (i) the Chairman of the meeting; or
 - (ii) at least five Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or

- (iii) any Member or Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
- (iv) any Member or Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Unless a poll is so required under the GEM Listing Rules or duly demanded and, in the latter case, the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- (f) The registered office of the Company is situated at P.O. Box 309GT, Uglund House, South Church Street, Grand Cayman, Cayman Islands.
- (g) The head office of the Company is situated at 2 Dai Fu Street, Tai Po Industrial Estate, Tai Po, Hong Kong and the principal place of business of the Company is situated at 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.
- (h) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (i) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

* *names translated for identification purpose only.*

This circular (in both English and Chinese versions) (“Circular”) has been posted on the Company’s website at 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, summary half-year report (where applicable), quarter report, notice of meeting, listing document, circular and proxy form) 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 through the Company’s website 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 through the Company’s website) 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 1806-1807, 18th 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.