

*Poised for*  
**Promising**  
*Growth*



**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)

**First Quarter Report 2006**



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

*GEM 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.*

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*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.*

*This document, for which the directors (the “Directors”) of CK Life Sciences Int’l., (Holdings) Inc. (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (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 document is accurate and complete in all material respects and is not misleading; (ii) there are no other matters the omission of which would make any statement in this document misleading; and (iii) all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## Chairman's Statement

### Highlights

- Strong financial growth from same period last year:
  - Sales revenue surged by over 5 times to HK\$408 million
  - Total revenue increased 3-fold to HK\$428 million
  - Unaudited profit attributable to shareholders was HK\$2 million, representing an increase of 258%
- Operational profitability achieved as sales revenue growth outpaced investment proceeds
- Strong contributions from recent acquisitions:
  - Envirogreen Pty Limited, Australia
  - Nuturf Australia Pty Ltd, Australia
  - Développement Santé Naturelle A.G. Ltée, Canada
  - Vitaquest International Holdings LLC, US
- Results reflect culmination of defined growth strategies and dedicated efforts. Strong foundations laid, solid performance achieved, and sustainable growth expected in the future

## Chairman's Statement (cont'd)

### A Promising Start to a Landmark Year

The first quarter of 2006 marks a promising beginning to a landmark year for CK Life Sciences Int'l, (Holdings) Inc. ("CK Life Sciences" or the "Group"). The financials are healthy and the Group is well-positioned for a year of achievement in 2006.

### Financial Highlights – Sales Revenue Surges over 5 Times

HK\$'000	The First Quarter Results		
	2006	2005	Increase/(Decrease) (%)
Sales revenue	407,971	62,186	556
Investment proceeds	19,543	42,483	(54)
Total revenue	427,514	104,669	308
Profit attributable to shareholders	2,063	576	258

The Board of Directors has not declared any dividend for the period under review (2005: Nil).

### Quarterly Sales Surpassed HK\$400 Million Mark

The quarter under review can be characterized by significant sales growth, both in terms of actual amount and growth rate. Sales revenue reached a record quarterly high of HK\$408 million, an increase of approximately 6 times over the same period last year. Surpassing the HK\$400 million quarterly sales mark, this demonstrates a breakthrough sales performance from CK Life Sciences and contributed greatly to the achievement of operational profitability.

Solid sales growth was recorded in both of the Group's core businesses – environment and health:

HK\$'000	The First Quarter Results		
	2006	2005	Increase (%)
Environment	145,668	60,364	141
Health	262,303	1,822	14,296
Total sales	407,971	62,186	556

## Chairman's Statement (cont'd)

The Group's satisfactory sales growth is attributable to:

### 1) *Strong Organic Growth*

During the period under review, CK Life Sciences reported robust organic growth in both our environmental and health businesses as we extended our product line, expanded our market reach and enhanced our customer base.

### 2) *Contributions from Strategic Acquisitions*

The three acquisitions made by the Group over the last year, namely Envirogreen Pty Limited, Nuturf Australia Pty Ltd and Développement Santé Naturelle A.G. Ltée ("A.G."), have all generated good contributions to CK Life Sciences' financial results. In addition, the recently acquired Vitaquest International Holdings LLC ("Vitaquest") also made a partial profit contribution this quarter. The acquisition strategy has proven to be an effective one for driving growth.

## Good R&D Progress

In addition to strong sales performance, continued progress has been achieved in the Group's R&D.

*In vitro* and *in vivo* studies conducted by the Chinese Center for Disease Control and Prevention, Institute for Occupational Health and Poisoning Control ("Chinese Center for Disease Control and Prevention") and the Cancer Institute, Chinese Academy of Medical Sciences indicated that the Group's anti-cancer product inhibits the growth of human primary liver cancer cells. Large-scale animal studies will be further conducted by the Chinese Center for Disease Control and Prevention. In Australia, studies carried out together with Minomic Pty Ltd have also been completed with results demonstrating that the Group's anti-cancer product significantly inhibits prostate cancer growth.

## Acquisition Strategy Fuels Growth

Acquisition is an important pillar of our growth strategy.

The latest highlight in our acquisition efforts is the recent acquisition of Vitaquest. With sales of more than HK\$1 billion in 2005, the addition of Vitaquest will bring significant sales and profit contribution to the Group.

The results from the first quarter demonstrate that our acquisitions have been very successful in driving sales and profit growth. Going forward, we will continue to aggressively pursue more new projects that will provide immediate contributions to our sales and profits, as well as offer synergies with our existing businesses.

## Chairman's Statement (cont'd)

The Group recently raised approximately HK\$2,082 million through a rights issue exercise. This will greatly strengthen our financing capacity and flexibility for more future acquisitions.

### Prospects

2006 is poised to be a promising year of growth for the Group. The first quarter has marked a positive start. Strong sales progress has been achieved and the momentum is expected to continue.

In addition to continuing our work in R&D and generating organic growth, substantial efforts will be launched to maximize the synergies amongst our recent acquisitions.

Amalgamating the strengths of CK Life Sciences' R&D platforms; A.G., the best-selling nutraceutical brand in Québec, Canada; and the capabilities of Vitaquest, the largest custom contract nutraceutical manufacturer in the US, it can be expected that the Group will have a major impact on the global nutraceutical industry.

In our fertilizer business, the two Australian companies acquired in 2005 will make a full contribution to the Group's sales and profit in 2006. We plan to capitalize on the synergies between these companies and our other fertilizer businesses to deepen our market penetration around the world.

We are also studying acquisition opportunities worldwide to add more complementary companies to our portfolio.

The Group has established a solid foundation for both our core businesses. The first quarter results have been very good, a promising beginning for a year of transformational growth. We are confident of maintaining this growth momentum as more acquisition opportunities are pursued in the coming year. CK Life Sciences has every reason to be optimistic about our future prospects.

### Acknowledgements

I would like to take this opportunity to thank our shareholders, Board of Directors, our staff and business partners for their support. As we enter into the second quarter of 2006, we look forward to achieving continued growth for CK Life Sciences.

**Li Tzar Kuoi, Victor**

Chairman

Hong Kong, 15 May 2006

## Unaudited Consolidated Results

		Three months ended 31 March	
		2006	2005
		HK\$'000	HK\$'000
	Notes		
Turnover	2	427,514	104,669
Cost of sales		(263,873)	(58,250)
		163,641	46,419
Other income	3	10,961	16,538
Staff costs	4	(55,433)	(29,557)
Depreciation		(8,821)	(6,602)
Amortization of intangible assets		(1,525)	(747)
Fair value change of financial instruments		(14,007)	(4,008)
Other operating expenses		(72,974)	(19,532)
Profit from operation		21,842	2,511
Finance costs		(23,306)	(1,869)
Share of results of associates		178	220
Profit/(loss) before taxation		(1,286)	862
Taxation	5	3,006	(212)
Profit for the period		1,720	650
Attributable to:			
Equity holders of the Company		2,063	576
Minority interests		(343)	74
		1,720	650
Earnings per share	6		
- basic		0.03 cent	0.009 cent
- diluted		0.03 cent	0.009 cent



## Unaudited Consolidated Results (cont'd)

### Notes:

#### 1. Basis of preparation

The unaudited consolidated results of the Group have been prepared in accordance with accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the GEM Listing Rules. They have also been prepared under the historical cost convention, as modified for the revaluation of certain fixed assets and financial instruments.

The accounting policies used in preparing the unaudited consolidated results are consistent with those used in the Group's annual financial statements for the year ended 31 December 2005.

#### 2. Turnover

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts as well as income from investments, and is analysed as follows:

	2006 HK\$'000	2005 HK\$'000
Environment	145,668	60,364
Health	262,303	1,822
Investment income	19,543	42,483
	<b>427,514</b>	<b>104,669</b>

#### 3. Other income

Other income mainly comprises income from bank deposits and gain on disposal of financial instruments.

#### 4. Staff costs

Staff costs which included salaries, bonuses, retirement benefit scheme contributions and recruitment costs for the period under review amounted to HK\$67,718,000 (2005: HK\$35,683,000) of which HK\$5,594,000 (2005: HK\$6,126,000) relating to development activities was capitalized and HK\$ 6,691,000 (2005: Nil) relating to direct labour costs was allocated to cost of sales.

## Unaudited Consolidated Results (cont'd)

### 5. Taxation

	2006 HK\$'000	2005 HK\$'000
Other jurisdictions:		
Current tax	1,666	56
Deferred tax	(4,672)	156
	(3,006)	212

No provision for Hong Kong profits tax has been made as there was no assessable profit for the three months ended 31 March 2006 (2005: Nil). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

### 6. Earnings per share

The calculations of the basic and diluted earnings per share are based on the following data:

	2006 HK\$'000	2005 HK\$'000
<b>Profit for the period</b>		
Profit for calculating basic and diluted earnings per share	2,063	576
<b>Number of shares</b>		
Number of ordinary shares used in the calculation of basic earnings per share	6,407,381,600	6,407,381,600
Effect of dilutive potential ordinary shares	-	-
Number of ordinary shares used in the calculation of diluted earnings per share	6,407,381,600	6,407,381,600

There was no dilution in the earnings per share for the three months ended 31 March 2006 because the exercise prices for the Company's three lots of outstanding share options were higher than the average market price of the shares of the Company and thus the conversion of the share options would not have any dilutive effect on the earnings per share.

## Unaudited Consolidated Results (cont'd)

### 7. Dividend

No dividend has been declared by the Board of Directors for the three months ended 31 March 2006 (2005: Nil).

### 8. Movements of reserves

	Share premium HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
<b>2005</b>						
At 1 January 2005	2,392,185	42,295	1,950	7,563	(289,026)	2,154,967
Prior year adjustment	-	-	-	-	(420)	(420)
Balance as at 1 January 2005 restated	2,392,185	42,295	1,950	7,563	(289,446)	2,154,547
Realized on disposal/ redemption of financial instruments	-	(11,815)	-	-	-	(11,815)
Loss on revaluation of financial instruments	-	(28,589)	-	-	-	(28,589)
Employees' share options benefits	-	-	-	512	-	512
Exchange difference on translation of financial statements of overseas operations	-	-	(183)	-	-	(183)
Profit for the three months ended 31 March 2005	-	-	-	-	576	576
At 31 March 2005	2,392,185	1,891	1,767	8,075	(288,870)	2,115,048
<b>2006</b>						
At 1 January 2006	2,392,185	(27,602)	(35)	8,186	(277,212)	2,095,522
Loss on revaluation of financial instruments	-	(5,569)	-	-	-	(5,569)
Employees' share options benefits	-	-	-	130	-	130
Exchange difference on translation of financial statements of overseas operations	-	-	(3,226)	-	-	(3,226)
Profit for the three months ended 31 March 2006	-	-	-	-	2,063	2,063
At 31 March 2006	2,392,185	(33,171)	(3,261)	8,316	(275,149)	2,088,920

## Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2006, 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 Securities and Futures Ordinance ("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 on Securities Transactions by Directors adopted by the Company ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

### (1) Long positions in the shares of the Company

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	1,500,000	-	-	2,820,008,571 (Note 1)	2,821,508,571	44.04%
Kam Hing Lam	Interest of child or spouse	-	4,150,000	-	-	4,150,000	0.06%
Ip Tak Chuen, Edmond	Beneficial owner	1,500,000	-	-	-	1,500,000	0.02%
Yu Ying Choi, Alan Abel	Beneficial owner	1,500,000	-	-	-	1,500,000	0.02%
Pang Shiu Fun	Beneficial owner & interest of child or spouse	1,500,700 (Note 2)	700 (Note 2)	-	-	1,500,700	0.02%
Chu Kee Hung	Beneficial owner	1,500,000	-	-	-	1,500,000	0.02%
Peter Peace Tulloch	Beneficial owner	700,000	-	-	-	700,000	0.01%
Wong Yue-chim, Richard	Beneficial owner	250,000	-	-	-	250,000	0.004%
Kwok Eva Lee	Beneficial owner	200,000	-	-	-	200,000	0.003%

## Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (cont'd)

### Notes:

1. Such 2,820,008,571 shares are held by a subsidiary of Cheung Kong (Holdings) Limited ("Cheung Kong Holdings"). 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 Cheung Kong Holdings. Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust 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 Cheung Kong Holdings and thus is taken to be interested in those 2,820,008,571 shares held by the subsidiary of Cheung Kong Holdings under the SFO.
2. Such interests comprise the same block of 700 shares jointly held by Dr. Pang Shiu Fun and his wife.

## Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures (cont'd)

### (2) Long positions in the underlying shares of the Company

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 of the Company, details of which as at 31 March 2006 were as follows:

Name of Director	Date of grant	Number of share options					Option period	Subscription price per share HK\$
		Outstanding as at 1 January 2006	Granted during the period	Exercised during the period	Cancelled/lapsed during the period	Outstanding as at 31 March 2006		
Yu Ying Choi,	30/9/2002	310,000	-	-	-	310,000	30/9/2003 - 29/9/2012	1.598
Alan Abel	27/1/2003	690,000	-	-	-	690,000	27/1/2004 - 26/1/2013	1.446
	19/1/2004	690,000	-	-	-	690,000	19/1/2005 - 18/1/2014	1.762
Pang Shiu Fun	30/9/2002	310,000	-	-	-	310,000	30/9/2003 - 29/9/2012	1.598
	27/1/2003	690,000	-	-	-	690,000	27/1/2004 - 26/1/2013	1.446
	19/1/2004	690,000	-	-	-	690,000	19/1/2005 - 18/1/2014	1.762
Chu Kee Hung	30/9/2002	310,000	-	-	-	310,000	30/9/2003 - 29/9/2012	1.598
	27/1/2003	690,000	-	-	-	690,000	27/1/2004 - 26/1/2013	1.446
	19/1/2004	690,000	-	-	-	690,000	19/1/2005 - 18/1/2014	1.762

Save as disclosed above, during the three months ended 31 March 2006, none of the Directors or their respective associates was granted share options to subscribe for shares of the Company, nor had exercised such rights.

Save as disclosed above, none of the Directors or chief executive of the Company had, as at 31 March 2006, 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.

## 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 of the Company subject to the terms and conditions stipulated in the Share Option Scheme.

As at 31 March 2006, options to subscribe for an aggregate of 17,984,700 shares of the Company granted to certain continuous contract employees (including the Executive Directors of the Company as disclosed above and the management shareholder as disclosed below) pursuant to the Share Option Scheme were outstanding, details of which were as follows:

Date of grant	Number of share options					Outstanding as at 31 March 2006	Option period	Subscription price per share HK\$
	Outstanding as at 1 January 2006	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period			
30/9/2002	3,188,500	-	-	72,000	-	3,116,500	30/9/2003 - 29/9/2012 (Note 1)	1.598
27/1/2003	7,128,200	-	-	194,000	-	6,934,200	27/1/2004 - 26/1/2013 (Note 2)	1.446
19/1/2004	8,154,000	-	-	220,000	-	7,934,000	19/1/2005 - 18/1/2014 (Note 3)	1.762

Details of the share options granted to Mr. Cheung Ling Yuk, Larry, a management shareholder of the Company, pursuant to the Share Option Scheme as at 31 March 2006 were as follows:

Date of grant	Number of share options					Outstanding as at 31 March 2006	Option period	Subscription price per share HK\$
	Outstanding as at 1 January 2006	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period			
30/9/2002	316,000	-	-	-	-	316,000	30/9/2003 - 29/9/2012 (Note 1)	1.598
27/1/2003	580,000	-	-	-	-	580,000	27/1/2004 - 26/1/2013 (Note 2)	1.446
19/1/2004	580,000	-	-	-	-	580,000	19/1/2005 - 18/1/2014 (Note 3)	1.762

## Details of Options Granted by the Company (cont'd)

### 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.



## Interests and Short Positions of Shareholders

So far as is known to any Director or chief executive of the Company, as at 31 March 2006, shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company 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 were as follows:

### (1) Long positions of substantial shareholders in the shares of the Company

Name	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Gold Rainbow Int'l Limited	Beneficial owner	2,820,008,571	44.01%
Gotak Limited	Interest of a controlled corporation	2,820,008,571 (Note i)	44.01%
Cheung Kong (Holdings) Limited	Interest of controlled corporations	2,820,008,571 (Note ii)	44.01%
Li Ka-Shing Unity Trustee Company Limited as trustee of The Li Ka-Shing Unity Trust	Trustee	2,820,008,571 (Note iii)	44.01%
Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust	Trustee & beneficiary of a trust	2,820,008,571 (Note iii)	44.01%
Li Ka-Shing Unity Trustcorp Limited as trustee of another discretionary trust	Trustee & beneficiary of a trust	2,820,008,571 (Note iii)	44.01%
Trueway International Limited	Beneficial owner	1,410,004,286	22.01%
Tangiers Enterprises Limited	Interest of controlled corporations	1,880,005,715 (Note iv)	29.34%
Li Ka-shing	Founder of discretionary trusts & interest of controlled corporations	4,700,014,286 (Note v)	73.35%

## Interests and Short Positions of Shareholders (cont'd)

### (2) Long positions of other persons in the shares of the Company

Name	Capacity	Number of Ordinary Shares	Approximate % of Shareholding
Triluck Assets Limited	Beneficial owner	470,001,429	7.34%
Cheung Ling Yuk, Larry	Beneficial owner	401,585,714 (Note vi)	6.27%

#### Notes:

- i. This represents the same block of shares in the Company as shown against the name of Gold Rainbow Int'l Limited ("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 Cheung Kong Holdings, Cheung Kong Holdings 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 Cheung Kong Holdings. TDT1 as trustee of The Li Ka-Shing Unity Discretionary Trust and TDT2 as trustee of another discretionary trust 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 The Li Ka-Shing Unity Discretionary Trust and TDT2 as trustee of another discretionary trust is deemed to be interested in the same block of shares as Cheung Kong Holdings is deemed to be interested as disclosed in Note ii above.
- iv. Trueway International Limited ("Trueway") and Triluck Assets Limited ("Triluck") are wholly-owned by Tangiers Enterprises Limited ("Tangiers") and Tangiers is deemed to be interested in a total of 1,880,005,715 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.
- v. This represents the aggregate of the blocks of shares in the Company in which Tangiers and Cheung Kong Holdings are respectively deemed to be interested under the SFO. As Mr. Li Ka-shing owns the entire issued share capital of Tangiers and 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, under the SFO, Mr. Li Ka-shing is deemed to be interested in the same number of shares in which both Tangiers and Cheung Kong Holdings are deemed to be interested as mentioned above.
- vi. The interests of Mr. Cheung Ling Yuk, Larry in the share options granted by the Company are separately disclosed under the section headed "Details of Options Granted by the Company".

Save as disclosed above, as at 31 March 2006, 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 of the Company 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.

## Competing Interests

During the three months ended 31 March 2006, the interests of Directors, management shareholders of the Company or their respective associates as defined in the GEM Listing Rules (the "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)

## Competing Interests (cont'd)

Name of Director	Name of Company	Nature of Interest	Competing Business (Note 2)
Pang Shiu Fun	Cheung Kong (Holdings) Limited	Holder of listed shares	(ii)
	Hutchison Whampoa Limited	Holder of listed shares	(i) & (ii)
	Cheung Kong Infrastructure Holdings Limited	Holder of listed shares	(i) & (ii)
	TOM Group Limited	Holder of listed shares	(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)
	Shoppers Drug Mart Corporation	Independent Director	(i)
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:

1. 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.
2. 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 of the Company 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.

## Other Information

### Corporate Governance

The Board of Directors (“Board”) and the management of the Company are committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices (“Code on CG Practices”) as set out in Appendix 15 of the GEM Listing Rules throughout the three months ended 31 March 2006.

#### (1) Board Composition and Board Practices

The Board is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value. The Board consists of a total of ten Directors, comprising six Executive Directors, one Non-executive Director and three Independent Non-executive Directors. At least one of the Independent Non-executive Directors has appropriate professional qualifications, or accounting or related financial management expertise as required by the GEM Listing Rules. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years in accordance with the Company’s Articles of Association and the Code on CG Practices.

The positions of the Chairman of the Board (“Chairman”) and the Chief Executive Officer are held by separate individuals with a view to maintaining an effective segregation of duties respecting management of the Board and the day-to-day management of the Group’s business.

All Directors have made active contribution to the affairs of the Board and the Board has always acted in the best interests of the Group. In addition to regular Board meetings, the Chairman has meetings with the Non-executive Directors (including the Independent Non-executive Directors) without the presence of Executive Directors at least once every year.

The Company Secretary is responsible to the Board for ensuring that Board procedures are followed and for ensuring that the Board is briefed on all legislative, regulatory and corporate governance developments and that the Board has regard to them when making decisions. The Company Secretary and the Compliance Officer are also directly responsible for the Group’s compliance with the continuing obligations of the GEM Listing Rules, Codes on Takeovers and Mergers and Share Repurchases, Companies Ordinance, SFO and other applicable laws, rules and regulations.

The Company has adopted the model code on securities transactions by directors of listed issuers set out in Chapter 5 of the GEM Listing Rules as its own code of conduct regarding Directors’ securities transactions, effective 31 March 2004.

## Other Information (cont'd)

### (2) Audit Committee

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 CG Practices. The existing Audit Committee of the Company 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. 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 Group's first quarter report for the three months ended 31 March 2006 has been reviewed by the Audit Committee.

### (3) Remuneration Committee

According to the Code on CG Practices, the Company established its remuneration committee ("Remuneration Committee") on 1 January 2005 with a majority of the members being Independent Non-executive Directors. The existing Remuneration Committee comprises the Chairman of the Board, Mr. Li Tzar Kuoi, Victor (Chairman of the Remuneration Committee), and two Independent Non-executive Directors, namely, Mrs. Kwok Eva Lee and Mr. Colin Stevens Russel.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and senior management, and reviewing the specific remuneration packages of all Executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

### (4) Investor Relations and Communication with Shareholders

The Company establishes different communication channels with shareholders and investors, including (i) printed copies of financial reports, circulars, notices of general meetings and proxy forms required under the GEM Listing Rules, and shareholders can select to receive such documents by electronic means, (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board, (iii) updated and key information of the Group is available on the website of the Company, (iv) the Company's website offers a main communication channel between the Company and its shareholders and investors, (v) regular press conferences and briefing meetings with analysts from the investment sectors are set up from time to time on updated performance information of the Group, and (vi) the Company's Branch Share Registrar deals with shareholders for share registration matters.

## Purchase, Sale or Redemption of the Company's Listed Securities

During the three months ended 31 March 2006, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## Corporate Information

### 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*

PANG Shiu Fun

*Vice President and Chief Technology Officer*

CHU Kee Hung

*Vice President, Technology and Product  
Development*

#### 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

### QUALIFIED ACCOUNTANT

MO Yiu Leung, Jerry

### COMPLIANCE OFFICER

YU Ying Choi, Alan Abel

### AUDIT COMMITTEE

WONG Yue-chim, Richard

*Chairman*

KWOK Eva Lee

Colin Stevens RUSSEL

### REMUNERATION COMMITTEE

LI Tzar Kuoi, Victor

*Chairman*

KWOK Eva Lee

Colin Stevens RUSSEL

### AUTHORIZED REPRESENTATIVES

IP Tak Chuen, Edmond

Eirene YEUNG

### AUDITORS

Deloitte Touche Tohmatsu

## Corporate Information (cont'd)

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
JP Morgan Chase Bank, N.A.  
Canadian Imperial Bank of Commerce  
Commonwealth Bank of Australia

### SOLICITORS

Woo, Kwan, Lee & Lo

### REGISTERED OFFICE

P.O. Box 309GT  
Ugland House  
South Church Street  
Grand Cayman  
Cayman Islands

### HEAD OFFICE

2 Dai Fu Street  
Tai Po Industrial Estate  
Tai Po  
Hong Kong

### PRINCIPAL PLACE OF BUSINESS

7th Floor, Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Cayman) Limited  
Butterfield House  
68 Fort Street, P.O. Box 705  
George Town  
Grand Cayman  
Cayman Islands

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East, Hong Kong

### INTERNET ADDRESS

<http://www.ck-lifesciences.com>