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BROAD INTELLIGENCE INTERNATIONAL PHARMACEUTICAL HOLDINGS LIMITED
博智國際藥業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1149)

**PLACING OF EXISTING SHARES AND
TOP-UP SUBSCRIPTION FOR NEW SHARES
AND
RESUMPTION OF TRADING**

Financial adviser to the Company



WALLBANCK BROTHERS
Securities (Hong Kong) Limited

On 8 August 2007, the Seller, a company wholly and beneficially owned by Mr. Zhong Houtai, an executive Director and the chairman of the Board entered into (i) the Placing Agreement with the Company and the purchaser, DKR SoundShore Oasis Holding Fund Ltd., a third party independent of the Company and connected persons of the Company, pursuant to which the Seller agreed to sell and Oasis agreed to buy the Sale Shares at the price of HK\$0.97 per Sale Share and (ii) the Subscription Agreement with the Company, pursuant to which the Company has conditionally agreed to allot and issue 21,899,000 new Shares to the Seller at the price of HK\$0.97 per Subscription Share.

The Sale Shares represent (i) 4.95% of the existing issued share capital of the Company of 442,000,000 Shares as at the date of this announcement and (ii) approximately 4.72% of the issued share capital of the Company of 463,899,000 Shares as enlarged by the issue of the Subscription Shares.

The price per Sale Share of HK\$0.97 represents (i) a discount of approximately 8.49% to the closing price of HK\$1.06 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 9.35% to the average of the closing prices of approximately HK\$1.07 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 11.01% to the net asset value per Share of approximately HK\$1.09 based on the audited consolidated net asset value of the Group as at 31 December 2006.

The Placing is unconditional, and the Subscription is subject to the fulfillment of the conditions stated in the section headed “Conditions of the Subscription” below.

The net proceeds to be raised from the Subscription are expected to be approximately HK\$20 million and all will be applied to build factory and purchase equipment for refinery and storage purposes within the scope of pharmaceutical business of the Company.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 9 August 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 14 August 2007.

1. PLACING AGREEMENT

Date:

8 August 2007

Parties:

The Company, the Seller and Oasis.

The Seller is a company wholly and beneficially owned by Mr. Zhong Houtai, an executive Director and the chairman of the Board.

The Seller is a controlling shareholder of the Company, interested in 211,720,000 Shares representing approximately 47.90% of the existing share capital of the Company as at the date of this announcement and before completion of the Placing.

Oasis and its ultimate beneficial owners, to the best of the knowledge and belief of the Directors, are third parties, independent of and not acting in concert with the Seller or any of its or the Company's directors, chief executive or substantial shareholders, any of their respective associates.

Sale Shares:

The Seller agreed to sell and Oasis agreed to purchase, pursuant to the terms of the Placing Agreement, a total of 21,899,000 Shares, representing approximately 4.95% of the Company's issued share capital as at the date of this announcement, and approximately 4.72% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Sale Price:

The Sale Price of HK\$0.97 per Sale Share represents (i) a discount of approximately 8.49% to the closing price of HK\$1.06 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 9.35% to the average of the closing prices of approximately HK\$1.07 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a discount of approximately 11.01% to the net asset value per Share of approximately HK\$1.09 based on the audited consolidated net asset value of the Group as at 31 December 2006.

The Sale Price was negotiated on an arm's length basis between the Seller, the Group, Oasis.

Rights of the Sale Shares:

The Sale Shares are sold by the Seller free from all third party rights, liens, charges, options, equities and encumbrances and together with all rights attaching thereto including the right to receive all dividends and distributions declared, made or paid after the date of the Placing Agreement.

Condition of the Placing:

The Placing is unconditional and completion of the Placing is expected to be on 14 August 2007.

2. SUBSCRIPTION AGREEMENT

Date:

8 August 2007

Parties:

The Seller as the subscriber, the Company as the issuer.

Subscription Shares:

The Company will allot and issue and the Seller will subscribe for 21,899,000 new Shares, representing 4.95% of the Company's existing issued share capital as at the date of this announcement and approximately 4.72% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 31 May 2007. The Directors confirm that the Company has sufficient general mandate to issue and allot the Subscription Shares. A maximum of 85,000,000 Shares can be issued under the general mandate before the Subscription.

Subscription Price:

The Subscription Price of HK\$0.97 per Subscription Share is expected to raise approximately a total of HK\$21 million in the Subscription. The net proceeds from the Subscription will be approximately HK\$20 million, which is the total Subscription Price after deducting the expenses incurred by the Seller and the Company in relation to the Placing and the Subscription. The net Subscription price per Share is approximately HK\$0.93.

Ranking of the Subscription Shares:

The Subscription Shares, when fully paid, allotted and issued, will rank pari passu in all respects among themselves and with the existing issued Shares.

Conditions of the Subscription:

Completion of the Subscription is conditional on:

- (a) completion of the Placing pursuant to the Placing Agreement;
- (b) the granting of the Waiver; and
- (c) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, all of the Subscription Shares.

The Placing Agreement and the Subscription Agreement do not provide either party with the rights to waive the above conditions.

The Company, the Seller and parties acting in concert with it will apply to the Executive for the grant of the Waiver.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription:

The conditions in the Subscription Agreement are expected to be fulfilled as soon as practicable. Completion of the Subscription shall take place within two business days of fulfillment of the conditions.

If any of the above conditions are not fulfilled within 14 days after the date of the Placing Agreement (or such other date as may be agreed between the Company and the Seller), then the Seller and the Company shall have the right to terminate the Subscription Agreement and all rights and obligations thereunder will cease and terminate. In the event that the Subscription is not completed within 14 days of the signing of the Placing Agreement, the Subscription will constitute a connected transaction under the Listing Rules, which will be subject to the approval of the independent Shareholders and the Company will take steps to ensure compliance with the Listing Rules and further announcement will be made by the Company in this regard accordingly.

3. SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Placing and (iii) immediately after completion of the Placing and the Subscription:

| Shareholder | As at the date of this announcement | | Immediately after completion of the Placing but before the Subscription | | Immediately after completion of the Placing and the Subscription | |
|--|--|----------------|--|----------------|---|----------------|
| | | | | | | |
| | Shares | % (approx.) | Shares | % (approx.) | Shares | % (approx.) |
| The Seller and parties acting in concert with it | 211,720,000 | 47.90 | 189,821,000 | 42.95 | 211,720,000 | 45.64 |
| Public Shareholders: | | | | | | |
| – Oasis | – | – | 21,899,000 | 4.95 | 21,899,000 | 4.72 |
| – other public Shareholders | 230,280,000 | 52.10 | 230,280,000 | 52.10 | 230,280,000 | 49.64 |
| Total | <u>442,000,000</u> | <u>100.00</u> | <u>442,000,000</u> | <u>100.00</u> | <u>463,899,000</u> | <u>100.00</u> |

4. REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Directors believe that the terms of the Placing and the Subscription, including but not limited to the Sale Price and the Subscription Price, have been negotiated by the parties on an arm's length basis in accordance with normal commercial terms, are fair, reasonable and in the interests of the Company and the Shareholders as a whole. The Directors consider that the Placing and the Subscription represents an opportunity to raise additional capital for the Company while further broadening the shareholder base and the capital base of the Company, which the Directors believe will in turn improve the liquidity of the Shares.

The total fund to be raised from the Subscription is expected to be approximately HK\$21 million. The net proceeds from the Subscription are expected to be approximately HK\$20 million. The Company intends to apply of the total HK\$20 million to build factory and purchase equipment for refinery and storage purposes within the scope of pharmaceutical business of the Company.

5. FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

The Company has not undertaken any fund raising activities in the past twelve months save and except as disclosed in the announcement made by the Company dated 14 February 2007, the Company has carried out a top-up placing of 40,000,000 existing Shares at a price of HK\$0.88 per Share. The net proceeds generated from such top-up placing amounted to approximately HK\$34.2 million, of which approximately HK\$23 million was intended to be used to finance part of the construction cost in building factory with the remaining balance for general working capital. The said factory was expected to consist of GMP (Good Manufacturing Practice) production lines and refrigerating facilities, designated for the production of raw materials of the Group. As at the date of this announcement, the Directors confirm that out of the said net proceeds of approximately HK\$34.2 million for the said top-up placing, approximately HK\$10 million has been used for the construction and extension of the said factory and HK\$16.8 million has been used for distribution of dividends in June 2007; and a designated sum in renminbi equivalent to the said HK\$16.8 million in PRC will be stipulated for the construction of the said factory and general working capital. Further, the remaining balance of approximately HK\$7.4 million has been utilized as general working capital.

6. GENERAL

The Group is principally engaged in manufacturing, selling, research and development of injection solution, pharmaceutical products and healthcare products under the Nan Shaolin brandname in the PRC.

7. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 9 August 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 14 August 2007.

8. DEFINITIONS

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

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| “associate(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Company” | Broad Intelligence International Pharmaceutical Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange |
| “connected persons” | has the same meaning ascribed to it under the Listing Rules |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Last Trading Day” | 8 August 2007, being the last day of trading of the Shares on the Stock Exchange before the publication of this announcement |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Oasis” | DKR SoundShore Oasis Holding Fund Ltd., a Cayman Islands exempted company, is a private investment fund that pursues a global multi-strategy approach. Its investor base consists primarily of institutional investors and high net worth individuals |
| “Placing” | the sale and purchase of the Sale Shares pursuant to the terms of the Placing Agreement |

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| “Placing Agreement” | the placing agreement dated 8 August 2007 made among the Seller, the Company and Oasis in relation to the Placing |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “Sale Price” | HK\$0.97 per Sale Share |
| “Sale Shares” | an aggregate of 21,899,000 Shares owned by the Seller and to be sold to Oasis pursuant to the Placing Agreement |
| “Seller” | Elite Achieve Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Zhong Houtai, an executive Director and the chairman of the Board |
| “SFC” | the Securities and Futures Commission |
| “Shares” | ordinary shares of HK\$0.10 each in the issued share capital of the Company |
| “Shareholders” | holders of Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription” | the subscription of 21,899,000 new Shares by the Seller pursuant to the terms of the Subscription Agreement |
| “Subscription Agreement” | the subscription agreement dated 8 August 2007 made between the Company and the Seller in relation to the Subscription |
| “Subscription Price” | HK\$0.97 per Subscription Share |
| “Subscription Shares” | an aggregate of 21,899,000 new Shares to be issued and allotted to the Seller pursuant to the Subscription Agreement |

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| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers |
| “Waiver” | a waiver to be granted by the Executive Director of the Corporate Finance Division of the SFC or any of his delegates pursuant to Note 6 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Seller and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code for all securities of the Company other than those already owned or agreed to be acquired by the Seller and parties acting in concert with it as a result of the allotment and issue of the Subscription Shares |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

By order of the Board of
Broad Intelligence International Pharmaceutical Holdings Limited
Mr. Zhong Houtai
Chairman

Hong Kong, 13 August 2007

As at the date of this announcement, the executive directors of the Company are Mr. Zhong Houtai, Mr. Zhong Houyao, Mr. Chong Hoi Fung, Mr. Sun Daquan, and Mr. Cheung Chuen, Mr. Pei Renjiu and Mr. Li Kai Ming are the independent non-executive directors of the Company.

The Directors of the company issuing this announcement jointly and severally accept full responsibility for the accuracy of information contained in the document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.