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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)**

**ANNOUNCEMENT**

**DISCLOSEABLE TRANSACTION  
ACQUISITION OF THE FORMULAE,  
MEDICAL APPROVAL NUMBERS AND THE RIGHT OF  
FUTURE DEVELOPMENT OF TWO  
PHARMACEUTICAL PRODUCTS BY  
FUJIAN NANSHAOLIN PHARMACEUTICAL CO. LTD.  
(A WHOLLY – OWNED SUBSIDIARY OF THE COMPANY)**

The Board wishes to announce that on 28th April 2007 and 8th October 2007, the Purchaser, entered into two agreements with the Vendor for the purchase by the Purchaser of the formulae, medical approval numbers and the right of future development of Pharmaceutical Product A and Pharmaceutical Product B at the considerations of RMB 20 million and RMB 24 million respectively (collectively the “**Agreements**”). The Vendor and the ultimate beneficial owners of the Vendor are independent third parties not connected with the Company and any of the Directors, chief executives and substantial Shareholders of the Company or any of their respective associates as defined in the Listing Rules.

The Consideration Ratio for the Acquisition exceeds 5% but is less than 25%. Accordingly, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Company will send a circular setting out further details of the Acquisition to its Shareholders within 21 days after publication of this announcement.

The Directors mistakenly believed that the Acquisition is an ordinary transaction of the Company irrespective of the value thereof. Thus there was delay in publishing this announcement for which the Company does hereby apologize.

The Stock Exchange has indicated that it is looking into the matter regarding the untimely disclosure of the discloseable transaction. The Stock Exchange reserves the right to take action against the Company/and its Directors.

## **THE AGREEMENTS**

Date of the Agreements: 28th April 2007 and 8th October 2007 respectively

Vendor: Jinan King Rabbit Biological Technology Co. Ltd. (濟南瑞貝特生物科技有限公司)

Purchaser: Fujian Nanshaolin Pharmaceutical Co. Ltd. (福建南少林藥業有限公司)

Summary: The Purchaser has agreed to purchase and the Vendor has agreed to sell exclusively to the Purchaser the formulae, medical approval numbers and the right of future development of Pharmaceutical Product A and Pharmaceutical Product B for considerations of RMB 20 million and RMB 24 million respectively. The Agreements were effective from the respective date of signing of the Agreements. However, it was stated in the Agreements that if the transfer shall not have been completed for technical or other reason, the Vendor shall return all moneys to the Purchaser and be responsible for all losses of the Purchaser.

The transfer of the formulae and the medical approval numbers are subject to the approval of the State Food and Drug Administration Bureau, the relevant applications were submitted via the Food and Drug Bureau of the Fujian Province. The approval process may take six months to two years. We estimated that the approval process for Pharmaceutical Product A would be completed in June 2008 while the transfer of Pharmaceutical Product B has been approved.

Considerations: the consideration of the formulae, medical approval numbers and the right of future development of Pharmaceutical Product A and Pharmaceutical Product B are RMB 20,000,000 in cash and RMB 24,000,000 in cash respectively.

An initial payments of RMB 15,000,000 and RMB 20,000,000 were paid in June 2007 and October 2007 respectively. The balance of the consideration of Pharmaceutical Product A would be settled in June 2008 while the balance of the consideration of Pharmaceutical Product B was settled in April 2008.

The Considerations were arrived at after arm's length negotiation between the parties by reference to the current market value of such pharmaceutical products in the pharmaceutical industry in the PRC and other factors as set out in more detail in the section headed "Reasons for and benefit of the Acquisition" below. Moreover, during the two financial years immediately preceding the transactions while Pharmaceutical Product A and Pharmaceutical Product B were in the development stage, the Company entered into letters of intent (the "Letters of Intent") of purchase with several PRC clients. Under the Letters of Intent, the PRC clients would purchase RMB 14,630,000 worth of Pharmaceutical Product A and RMB 18,800,000 worth of Pharmaceutical Product B from the Company in 2008. As such, the Directors (including the independent non-executive Directors) consider the considerations to be fair and reasonable and in the best interests of the Shareholders taken as a whole.

Financial information: The value of the total assets which are the subject of the transaction under Listing Rule 14.58(6) is HKD45,702,000. The net profits (both before and after taxation and extraordinary items) attributable to the assets which are the subject of the transactions for the two financial years immediately preceding the transaction under Listing Rule 14.58(7) are nil.

To the best of the Directors' knowledge, the Vendor did not manufacture or sell Pharmaceutical Product A or Pharmaceutical Product B during the two financial years immediately preceding the transactions since it was only the development stage of Pharmaceutical Product A and Pharmaceutical Product B. Neither revenue nor profit, therefore, was generated. And as such, the financial information regarding the revenue and net profit attributable to the assets as owned by the Vendor could not be provided.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company started its business relationship with the Vendor since 2006 by purchasing formulae, medical approval numbers and the right of future development of different pharmaceutical products from the Vendor. However, neither the Company nor any of its subsidiaries had any transaction with the Vendor for a period of 12 months before April 2007. The Directors confirmed that the Vendor and the ultimate beneficial owners of the Vendor are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Pharmaceutical Product A is suitable for acute viral hepatitis with ascending Alamine Amino Transferase (ALT) level. Pharmaceutical Product B is suitable for relieving internal heat or fever, swelling reduction and pain relief. It can be used for tinnitus and deaf, in-growing skin ulcer, gall and urtication, out-breaking pus and long-unstranged.

Through the Acquisition, the Directors believe that this could reduce the time for product research and development, increase its scale of production and varieties of products and thereby making a quicker return for the Group and the Shareholders.

Due to the abovementioned factors, the Directors, including the independent non-executive Directors, of the Company consider that the terms and conditions of the Agreements to be fair and reasonable and in the best interest of the Company and the Shareholders taken as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and the ultimate beneficial owners of the Vendor are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Consideration Ratio for the Acquisition exceeds 5% but is less than 25%. Accordingly, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Company will send a circular setting out further details of the Acquisition to its shareholders within 21 days after publication of this announcement.

## **GENERAL**

The Group is principally engaged in the manufacture, sale, research and development of injection solution pharmaceutical products under the Nanshaolin Brandname in the PRC.

To the best knowledge of the Directors, the principal activities of the Vendor are manufacture, research and development of pharmaceutical products.

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

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the formulae, medical approval numbers and the right of future development of Pharmaceutical Product A and Pharmaceutical Product B pursuant to the terms of the Agreements
“associate(s)”	has the meaning ascribed to it in 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 and the Shares of which are listed on the main board of the Stock Exchange.
“Consideration Ratio”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company as at the date of this announcement
“Group”	The Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third parties independent of the Company or any of the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	main board of the Stock Exchange.
“Pharmaceutical Product A”	Diammonium Glycyrrhizinate Injection (甘草酸二胺注射液)
“Pharmaceutical Product B”	Boric Acid Ear Drops (硼酸冰片滴耳液)
“PRC”	The People’s Republic of China
“Purchaser”	Fujian Nanshaolin Pharmaceutical Co. Ltd., a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Jinan King Rabbit Biological Technology Co. Ltd. (濟南瑞貝特生物科技有限公司), a company incorporated under the laws of the PRC.
“%”	per cent.

By order of the Board  
**Broad Intelligence International Pharmaceutical Holdings Limited**  
**Chow Chi Wa**  
*Company Secretary*

Hong Kong, 18 April 2008

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable inquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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