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## IMPORTANT

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**If you are in doubt** about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Broad Intelligence International Pharmaceutical Holdings Limited (the “Company”) you should at once hand this circular with the enclosed form of proxy to the purchaser or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)**

### **GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES, RE-ELECTIONS OF RETIRING DIRECTORS, AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING**

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Resolutions will be proposed at the annual general meeting (the “AGM”) of the Company to be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 19 May 2006 at 10:00 a.m. to approve the matters referred to in this circular. The notice convening the AGM is set out in the 2005 Annual Report. If you are unable to attend the AGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

25 April 2006

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meaning:*

“2005 Annual Report”	the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 31 December 2005;
“AGM”	the annual general meeting of the Company to be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 19 May 2006 at 10:00 a.m. at which the 2005 Annual Report will be adopted;
“Articles”	the existing articles of association of the Company;
“Board”	the board of Directors;
“Commission”	the Securities and Futures Commission;
“Company”	Broad Intelligence International Pharmaceutical Holdings Limited;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate;
“Latest Practicable Date”	21 April 2006, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies;
“PRC”	The People’s Republic of China;

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## DEFINITIONS

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“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shareholder(s)”	holders of Shares;
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases approved by the Commission as amended from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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## LETTER FROM THE CHAIRMAN

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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)

*Executive Directors:*

Mr. ZHONG Houtai (*Chairman*)

Mr. ZHONG Houyao

Mr. CHONG Hoi Fung

Mr. SUN Daquan

Mr. CHAI Chung Wai

*Registered Office:*

PO Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

*Independent Non-executive Directors:*

Mr. PEI Renjiu

Mr. LI Kai Ming

Mr. CHEUNG Chuen

*Principal Office in Hong Kong:*

Unit 1903

Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

25 April 2006

*To the Shareholders*

Dear Sirs or Madam,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTIONS OF RETIRING DIRECTORS,  
AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### 1. INTRODUCTION

At the AGM, resolutions will be proposed to (i) grant to the Directors general mandates to repurchase Shares; (ii) grant to the Directors general mandates to issue Shares; (iii) extend general mandate to issue Shares; (iv) re-elect the retiring Directors; and (v) amend the Articles to reflect the provisions contained in the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules which have come into effect on 1 January 2005. In compliance with the Listing Rules, this circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions to be proposed at the AGM.

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## LETTER FROM THE CHAIRMAN

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### **2. GENERAL MANDATE TO REPURCHASE SHARES**

At the general meeting of the Company held on 20 May 2005, an ordinary resolution was passed by the then Shareholders granting the existing Repurchase Mandate to the Directors.

An ordinary resolution will be proposed at the AGM to revoke the existing Repurchase Mandate and grant to the Directors a fresh Repurchase Mandate i.e. a general and unconditional mandate to repurchase Shares subject to the maximum number of shares of up to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of such resolution. The fresh Repurchase Mandate will remain in effect until the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Listing Rules; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### **3. GENERAL MANDATE TO ISSUE SHARES**

At the general meeting of the Company held on 20 May 2005, an ordinary resolution was passed by the then Shareholders granting the existing Issue Mandate to the Directors.

An ordinary resolution will be proposed at the AGM to revoke the existing Issue Mandate and to grant to the Directors a fresh Issue Mandate i.e. a general and unconditional mandate to allot, issue and deal with, otherwise by way of rights issue or any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the Company or any shares of the Company issued as scrip dividends pursuant to the memorandum and articles of association of the Company, additional Shares with an aggregate nominal value not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue at the date of the passing of such resolution, which means, on the basis of 400,000,000 Shares in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, the maximum number of Shares be issued under this proposed Issue Mandate as at the Latest Practicable Date is 80,000,000 Shares. The fresh Issue Mandate will remain in effect until the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Listing Rules; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### **4. EXTEND GENERAL MANDATE TO ISSUE SHARES**

An ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the issued share capital of the Company on the date of passing the resolution approving the Issue Mandate.

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## LETTER FROM THE CHAIRMAN

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### 5. RE-ELECTIONS OF RETIRING DIRECTORS

In relation to ordinary resolution number 2 in the notice of the AGM regarding the re-elections of retiring Directors, Mr. Sun Daquan (“Mr. Sun”) and Mr. Pei Renjiu (“Mr. Pei”) shall retire at the AGM by rotation pursuant to article 112 of the Articles, and, being eligible, will offer themselves for re-elections. Biographical details of the retired Directors are as follows:

Mr. Sun, aged 66, is an executive Director. He graduated from Shanghai First Medical School (上海第一醫學院) in 1962, majoring in pharmacy. From 1979 to 1983, Mr. Sun held various senior positions in Industrial Chemistry Bureau of Xiamen City, Fujian. From 1983 to 1995, he was the deputy general manager of Pharmaceutical Company of Fujian (福建省醫藥總公司), presently known as Drug Administration of Fujian (福建省醫藥管理局). He was qualified as an engineer in pharmacy by the People’s Government of Xiamen City in 1981. Mr. Sun joined the Group in April 2003.

As at the Latest Practicable Date, Mr. Sun does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company or its associated corporations. Mr. Sun did not hold any directorships in listed public companies in the past 3 years and he does not hold any positions with the Company or other members of the Group other than acting as executive director of the Company and director of subsidiary of the Group.

Mr. Sun has entered into a service contract with the Company for an initial fixed term of 3 years commencing from 24 November 2003, and will continue thereafter until terminated by not less than 3 months’ notice in writing served by either party on the other, which notice shall not expire until after the fixed term. Mr. Sun will be entitled to director’s emoluments of HK\$60,000 per annum, which is determined based on the prevailing market rate. Mr. Sun will also be entitled with a discretionary bonus provided that the aggregate amount of the bonuses payable shall not exceed 5% of the audited net profit of the Company (or as the case may be, combined or, consolidated audited net profit of the Company (or as the case may be, combined or, consolidated audited net profit of the Company and its subsidiaries (if any)) (after taxation but before extraordinary and exceptional items and payment of such bonuses) in respect of that financial year of the Company. As at the Latest Practicable Date, Mr. Sun does not have any interests or short positions related to 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 notifiable to the Company and the Stock Exchange pursuant to Part XV of the SFO. There is no information relating to Mr. Sun that is required to be disclosed pursuant to Rules 13.51(2)(h)-(v) of the Listing Rules.

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## LETTER FROM THE CHAIRMAN

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Mr. Pei, aged 40, is an independent non-executive Director. Mr. Pei graduated from Bangfu Academy of Medical Sciences (蚌阜醫學院) in 1990, majoring in pharmacology. Mr. Pei has been granted various awards. In 1997, one of Mr. Pei's theses was accredited with a first honours award by the chief logistic department of the People's Liberation Army (中國人民解放軍總後勤部) and in 1994 and 1995, two of Mr. Pei's theses were accredited with a third honours award by the logistic department of the Nanjing military zone of the People's Liberation Army (中國人民解放軍南京軍區後勤部). He has been engaged in the field of pharmacy for more than 10 years. Mr. Pei was qualified as the deputy chief pharmacist by Examination Board of Senior Technical Staff of Healthcare Professionals of the Nanjing military zone (南京軍區衛生系列高級專業技術職務評審委員會) in 1998. Mr. Pei was appointed as independent non-executive Director in April 2003.

As at the Latest Practicable Date, Mr. Pei did not hold other directorships in any public listed companies in the past 3 years and he does not hold any positions with the Company or its subsidiaries other than acting as independent non-executive Director of the Company.

There is neither any services contract being executed between the Company and Mr. Pei nor any specific length or proposed length of service with the Company in respect of Mr. Pei's appointment. However, Mr. Pei is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Pei will be entitled to a director's emoluments of HK\$30,000 per annum and without any bonus payment. The annual emolument is determined with reference to the expected time commitment of Mr. Pei to the Company's affairs.

As at the Latest Practicable Date, Mr. Pei does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company or its associated corporations. Mr. Pei does not have any interests or short positions related to 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 notifiable to the Company and the Stock Exchange pursuant to Part XV of the SFO. There is no information relating to Mr. Pei that is required to be disclosed pursuant to Rules 13.51(2)(h)-(v) of the Listing Rules.

Saved as disclosed above, there is no other matter in relation to the afore-proposed re-elections that needed to be brought to the attention of the Stock Exchange or the Shareholders.

### 6. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Listing Rules have been amended by the Stock Exchange by replacing the Code of Best Practice in Appendix 14 by the Code on Corporate Governance Practices. Subject to certain transitional arrangements, the amendments took effect from 1 January 2005.



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## LETTER FROM THE CHAIRMAN

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In view of the Code on Corporate Governance Practices, the Directors propose to make amendments to the Articles accordingly. The major amendments are summarised as follows:

- (a) effect voting by way of a poll as required by the Listing Rules;
- (b) disclose the voting figure on a poll if required by the Listing Rules;
- (c) specify that every Director, including those appointed for a specific term, will be subject to retirement by rotation at least once every three years;
- (d) 14 days' notice be given for the regular meetings of the board of directors of the Company; and
- (e) to remove Directors at any general meeting by ordinary resolution at any time before the expiration of his period of office.

The proposed amendments to the Articles are subject to the approval of the Shareholders by way of a special resolution to be proposed at the AGM. Apart from the proposed amendments, all existing provisions in the Articles shall remain the same. Full text of the proposed amendments to the Articles is set out as resolution no. 7 in the notice of AGM as a special resolution on pages 15 to 18 of this circular.

### **7. ANNUAL GENERAL MEETING**

The notice of the AGM is set out on pages 13 to 18 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and Issue Mandate, the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate, the re-elections of retiring Directors, and the amendments to the Articles.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong branch share registrar and transfer office, Standard Registrars Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the meeting if so wished.

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## LETTER FROM THE CHAIRMAN

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### 8. PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to the article 76 of the Articles, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (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 demanded:

- (a) by the chairman of such meeting; or
- (b) by at least five Shareholders present in person or by proxy and entitled to vote at the meeting; or
- (c) by any Shareholder(s) present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) by any Shareholder(s) present in person (or in the case of a corporation, by its duly authorised 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 aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a corporation, by its duly authorized representative shall be deemed to be the same as a demand by a Shareholder.

Pursuant to article 81 of the Articles, on poll, a Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. On a poll a Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

To the best of the knowledge and belief of the Board having made due and careful enquiries, none of the Shareholders is required to abstain from voting at the forthcoming AGM under the Listing Rules.

### 9. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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## LETTER FROM THE CHAIRMAN

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### 10. RECOMMENDATION

The Directors consider that the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-elections of the retiring Directors, and the amendments to the Articles are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the forthcoming AGM on pages 13 to 18 of this circular.

### 11. GENERAL INFORMATION

As at the date of this circular, the Board is comprised of eight Directors of which five are executive Directors, namely Mr. Zhong Houtai, Mr. Zhong Houyao, Mr. Chong Hoi Fung, Mr. Sun Daquan and Mr. Chai Chung Wai and three are independent non-executive Directors, namely Mr. Pei Renjiu, Mr. Li Kai Ming and Mr. Cheung Chuen.

Your attention is also drawn to the additional information set out in the Explanatory Statement to this circular.

Yours faithfully,

For and on behalf of the Board

**Broad Intelligence International Pharmaceutical Holdings Limited**

**Mr. Zhong Houtai**

*Chairman*

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## EXPLANATORY STATEMENT OF THE SHARE REPURCHASE MANDATE

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*The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to a resolution to be proposed at the forthcoming AGM authorising the Repurchase Mandate.*

### **1. EXERCISE OF THE REPURCHASE MANDATE**

Exercise in full of the Repurchase Mandate, on the basis of 400,000,000 Shares in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, could accordingly result in up to 40,000,000 Shares being repurchased by the Company during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by any applicable laws of Cayman Islands or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### **2. REASONS FOR REPURCHASE**

The Directors have no present intention to repurchase any Shares but believe that it is in the best interests of the Company and its Shareholders to seek a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

### **3. GENERAL**

As compared with the financial position of the Company as at 31 December 2005 (being the date of its latest published audited financial statements), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

### **4. FUNDING OF REPURCHASE**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's available cash flow or working capital facilities derived from the distributable profits of the Company which would otherwise be available for dividend or other distributions which will be funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the applicable laws of the Cayman Islands.

Taking into account, as compared with the financial position of the Company as at 31 December 2005 (being the date of its latest published audited financial statements), the Directors consider that there might have a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed Repurchase Mandate

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## EXPLANATORY STATEMENT OF THE SHARE REPURCHASE MANDATE

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were to be exercised in full during the proposed repurchase period. However, the Directors confirm that none of them have any intention to make any repurchase which would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company from time to time appropriate.

### 5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she neither has a present intention to sell any Shares to the Company nor has he/she undertaken not to do so in the event that the Company is authorised to make repurchases of Shares.

### 6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the Articles.

### 7. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company:

- Elite Achieve Limited, which is wholly and beneficially owned by Mr. Zhong Houtai (chairman and director of the Company), holds 211,720,000 Shares representing approximately 52.93% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted, the interest of Mr. Zhong Houtai in the Company would be increased to approximately 58.81% of the issued share capital of the Company and such increase may not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

In fact, the Directors have no intention to exercise in full the power to repurchase Shares of the Company.

### 8. SHARE PURCHASE MADE BY THE COMPANY

During each of the six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company.

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## EXPLANATORY STATEMENT OF THE SHARE REPURCHASE MANDATE

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### 9. SHARE PRICES

During the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Months	Price Per Share	
	Highest HK\$	Lowest HK\$
<b>2005</b>		
April	0.465	0.360
May	0.400	0.340
June	0.370	0.330
July	0.360	0.285
August	0.360	0.310
September	0.350	0.285
October	0.330	0.275
November	0.320	0.290
December	0.380	0.295
<b>2006</b>		
January	0.370	0.305
February	0.360	0.330
March	0.490	0.350
April*	0.590	0.390

\* The highest and lowest Share prices for April 2006 were recorded until the Latest Practicable Date.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Broad Intelligence International Pharmaceutical Holdings Limited (the “Company”) will be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on 19 May 2006 at 10:00 a.m. for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 December 2005;
2. to re-elect Directors and to authorise the Board to fix the Directors’ remunerations;
3. to re-appoint auditors and to authorise the Board to fix their remuneration; and

as special businesses, to consider, and if thought fit, pass the following ordinary and special resolutions:

#### ORDINARY RESOLUTIONS

4. **“THAT**
  - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares in the capital of the Company (“Shares”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of the Shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the Shares in issue as at the date of the passing of this resolution and the said approval be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

5. **“THAT**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of the subscription rights or conversion under the terms of any warrants or other securities issued by the Company as at the date of this Resolution carrying a right to subscribe for or purchase Shares or otherwise convertible into Shares, or (iii) the exercise of the subscription rights under the share option scheme of the Company, or (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the memorandum and articles of association of the Company, from time to time shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and



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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares or an offer of warrants, options or other securities giving right to subscribe for shares, open for a period fixed by the Directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

### 6. “THAT

Conditional upon Ordinary Resolution nos. 4 and 5 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Ordinary Resolution no. 4 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Ordinary Resolution no. 5 above.”

## SPECIAL RESOLUTIONS

7. “THAT the articles of association of the Company be and are hereby amended as follows:

### 1. Article 76

- (i) by inserting the following words immediately after the words “on a show of hands unless” in the 2nd line of the existing Article 76:

“voting by way of a poll is required by the Listing Rules or”;

- (ii) by deleting the full-stop at the end of the existing Article 76(d) and substituting a semicolon therefor and thereafter the word “or”;

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(iii) by inserting the following new Article 76(e) immediately after the existing Article 76(d):

“(e) if required by the Listing Rules, by the Chairman of such meeting and/or the Directors who, individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights of all members having right to vote at such meeting.”; and

(iv) by inserting the following paragraph as new paragraph immediately after the new Article 76(e):

“Unless a poll is so required or demanded and, in the latter case, not withdrawn, the Chairman of the meeting should indicate to the meeting of the Company the level of proxies lodged on each resolution and the balance for and against the resolution, after it has been dealt with on a show of hands.”;

### 2. Article 77(a)

by inserting the following sentence immediately after the words “which the poll was demanded.” in the 11th line of the existing Article 77(a):

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.”;

### 3. Article 95

by deleting the words “Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting” in the 4th line of the existing Article 95 and substituting the following words therefor:

“Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of the filling of casual vacancy on the Board), or until the next following annual general meeting of the Company (in the case of an addition to the existing Board), and shall then be eligible for re-election at that meeting”;

### 4. Article 102(vii)

by deleting the word “special” immediately before the words “resolution of the members of the Company under Article 118(a).” in Article 102(vii) and substituting the word “ordinary” therefor;

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5. Article 112

Article 112 be deleted in its entirety and in substitution thereof the following new Article 112:

“112 Notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once in every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.”

6. Article 118(a)

by deleting the word “special” immediately before the words “resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office” in Article 118(a) and substituting the word “ordinary” therefor;

7. Article 103

by inserting the following new Article 103(f) immediately after the existing Articles 103(e):

“(f) Where a substantial shareholder (within the meaning of the Listing Rules) or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should not be dealt with by way of circulation of board resolutions pursuant to this Article or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution passed in a board meeting) but a board meeting should be held with the presence of the independent non-executive Directors who, and whose associates, have no material interest in the transaction.”; and

8. General updating

by updating all references to refer to the “(2004 Revision)” of the Companies Law of the Cayman Islands.”; and

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8. “**THAT**, conditional upon the passing of the special resolution set out above, the articles of association of the Company be and are hereby replaced in their entirety with the form produced at the meeting, consolidating the amendments referred to above and those amendments made by special resolution on 25 May 2004 but with no other changes.”

Yours faithfully,

For and on behalf of the Board of

**Broad Intelligence International Pharmaceutical Holdings Limited**

**Zhong Houtai**

*Chairman*

Hong Kong, 25 April 2006

*Principal Office:*

Unit 1903

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong.

*Note:*

A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A member entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be completed and deposited at the Company's Hong Kong branch share registrar and transfer office, Standard Registrars Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the meeting if so wished.