
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This circular is for information purpose only and does not constitute an invitation or offer to acquire or subscribe for securities.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your broker or a licensed security dealer, registered institution in securities, a 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, you should at once hand this circular to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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.



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)

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)

This circular, for which the directors of Broad Intelligence International Pharmaceutical Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Main Board on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this circular 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 circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

A letter from the board of directors of the Company is set out on page 3 to 7 of this circular.

This circular will remain on the Main Board website at <http://www.hkexnews.hk> for at least 7 days from the date of its publication.

8 May 2008

TABLE OF CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
I. Introduction	3
II. The Agreements	4
III. Reasons for and benefits of the Acquisition.....	6
IV. Implications under the listing rules	6
V. Information on the Group and the Vendor	7
Appendix – General Information	8

DEFINITIONS

In this circular, unless the context otherwise specifies, the following expressions have the meanings correspondingly ascribed below:

“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, 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 Ratios”	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
“Latest Practicable Date”	8 May 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	main board of the Stock Exchange.

DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules
“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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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.

LETTER FROM THE BOARD



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
Mr. Chong Hoi Fung
Mr. Sun Daquan
Mr. Zhong Houyao

Registered office:

PO Box 309GT, Uglan House
South Church Street
George Town
Grand Cayman
Cayman Islands

Independent Non-executive Directors:

Mr. Lee Kai Ming
Mr. Pei Renjiu
Mr. Cheung Chuen

*Head office and principal place of
business in Hong Kong:*

Unit 1903-04
Allied Kajima Building
138 Gloucester Road
Wan Chai, Hong Kong

8 May 2008

To the Shareholders

Dear Sir or Madam,

**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)**

I. INTRODUCTION

On 18 April 2008, the Company announced 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

LETTER FROM THE BOARD

Product A and Pharmaceutical Product B at the considerations of RMB20 million and RMB24 million respectively (collectively the “**Agreements**”). 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 and this circular is required to be sent in order to provide you with further details of the acquisition.

II. THE AGREEMENTS

A summary of the Agreements are as follows:

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 RMB20 million and RMB24 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.

LETTER FROM THE BOARD

Considerations: An initial payments of RMB15,000,000 and RMB20,000,000 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 RMB14,630,000 worth of Pharmaceutical Product A and RMB18,800,000 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.

LETTER FROM THE BOARD

III. 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-unstringed.

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.

The Directors believe that the Acquisition will have a positive effect on the earnings of the Group and have no impact on the assets and liabilities of the Group as the acquired formulae, medical approval numbers and right of future development of Pharmaceutical Product A and Pharmaceutical Product B will be included in the Group's consolidated balance sheet as intangible assets and the increase in intangible assets will be offset by the decrease in cash balance representing the consideration paid.

IV. 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.

LETTER FROM THE BOARD

V. INFORMATION ON THE GROUP AND THE VENDOR

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.

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,

On behalf of the Board

Broad Intelligence International Pharmaceutical Holdings Limited

Zhong Houtai

Executive Director

Hong Kong, 8 May 2008

I. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information 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 in this circular misleading.

II. DIRECTORS' INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company has any interests or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules:

Director	No. of Shares held	Approximate % of the relevant issued share capital	Nature of interest (Note)
Zhong Houtai	211,720,000	45.64%	Corporate

Notes:

1. The Shares are registered under the name of Elite Achieve Limited.
2. The entire issued share capital of Elite Achieve Limited is legally and beneficially owned by Mr. Zhong Houtai.
3. Under the SFO, Mr. Zhong Houtai is deemed to be interested in all the Shares registered in the name of Elite Achieve Limited.

III. DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or their respective associates (as defined in the Listing Rules) was considered to have interests in any competing businesses pursuant to the Listing Rules.

IV. SUBSTANTIAL SHAREHOLDERS’ INTERESTS

Save as disclosed below, as at the Latest Practicable Date and so far as was known to the Directors and chief executive of the Company, there were no other persons who has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Shareholder	No. of Shares held	Approximate % of the issued share capital
Elite Achieve Limited	211,720,000	45.64% <i>(Note)</i>
Zhong Houtai	211,720,000	45.64% <i>(Note)</i>
Katsomalos Nikolaos	60,800,000	13.11% <i>(Note)</i>

Notes:

1. The interest held by Elite Achieve Limited and Mr. Zhong Houtai refers to the same parcel of Shares.
2. The entire issued share capital of Elite Achieve Limited is legally and beneficially owned by Mr. Zhong Houtai. Mr. Zhong Houtai was therefore deemed to have an interest in the Shares in which Elite Achieve Limited was interested.
3. All interests stated above represent long positions.

V. SERVICE CONTRACTS

None of the Directors has any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

VI. LITIGATION

As at the Latest Practical Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and so far as the Directors are aware, no litigation or claim of material importance was pending or threatened by or against the Company or any of its subsidiaries.

VII. MISCELLANEOUS

- (a) The principal share registrar of the Company is Butterfield Fund Services (Cayman) Limited at Butterfield House, 68 Fort Street, P.O. Box 705, George Town, Grand Cayman, Cayman Islands. The Hong Kong branch share registrar of the Company is Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (b) The secretary and qualified accountant of the Company is Mr. Chow Chi Wa, a fellow member of the Association of Chartered Certified Accountants and an associate of Hong Kong Institute of Certified Public Accountants (CPA).
- (c) In the case of any discrepancy, the English text of this circular shall prevail over the Chinese text.