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If you are in any doubt as to any aspect of this circular or 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, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

DISCLOSEABLE TRANSACTION

**ACQUISITION OF THE FORMULAE, MEDICAL APPROVAL NUMBER
AND THE RIGHT OF FUTURE DEVELOPMENT OF
THIRTY-NINE PHARMACEUTICAL PRODUCTS BY
FUJIAN FUQING PHARMACEUTICAL CO., LTD.
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY)**

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DEFINITIONS

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

| | |
|---------------------------|---|
| “Agreement” | the agreement dated 27 February 2005 entered into between the Vendor and the Purchaser for the sale and purchase of the formulae, medical approval number and the right of future development of thirty-nine pharmaceutical products; |
| “Board” | the board of Directors; |
| “Company” | Broad Intelligence International Pharmaceutical Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange; |
| “Directors” | the directors of the Company; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC; |
| “Latest Practicable Date” | 1 April 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein; |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange; |
| “Purchaser” | Fujian Fuqing Pharmaceutical Co., Ltd., a wholly foreign owned enterprise established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; |
| “PRC” | People’s Republic of China; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company; |
| “Shareholder(s)” | holder(s) of the Shares; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; and |
| “Vendor” | Xiamen Siming Pharmaceutical Co., Ltd., a company incorporated under the laws of the PRC. |

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. Zhong Houyao
Mr. Chong Hoi Fung
Mr. Sun Daquan
Mr. Chai Chung Wai

Registered office:

P.O. 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

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

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

4 April 2005

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

**ACQUISITION OF THE FORMULAE, MEDICAL APPROVAL NUMBER
AND THE RIGHT OF FUTURE DEVELOPMENT OF
THIRTY-NINE PHARMACEUTICAL PRODUCTS BY
FUJIAN FUQING PHARMACEUTICAL CO., LTD.
(AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY)**

INTRODUCTION

By an announcement dated 14 March 2005, the Company announced that on 27 February 2005, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor for the purchase by the Purchaser of the formulae, medical approval number and the right of future development of thirty-nine pharmaceutical products at

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a consideration of RMB43,600,000. The transactions contemplated under the Agreement constituted 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.

AGREEMENT DATED 27 FEBRUARY 2005

A summary of the Agreement is as follows:

Date: 27 February 2005

Parties:

- (1) Vendor:
Xiamen Siming Pharmaceutical Co., Ltd.
- (2) Purchaser:
Fujian Fuqing Pharmaceutical Co., Ltd., an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company, the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or associates as defined in the Listing Rules.

Summary: The Purchaser has agreed to purchase and the Vendor has agreed to sell exclusively to the Purchaser the formulae, medical approval number and the right of future development of thirty-nine pharmaceutical products for a consideration of RMB43,600,000. The Agreement is effective from the date of signing of the Agreement. However, it is stated in the Agreement that if the transfer shall not have been completed for technical or other reason, the Vendor shall return all moneys to the Purchaser and responsible for all losses of the Purchaser.

The transfer of the formulae and the medical approval number are subject to the approval of the State Food and Drug Administration Bureau, which application was submitted via the Food and Drug Bureau of the Fujian Province. Such application procedure shall normally take three to four months. The Directors confirm that the State Food and Drug Administration Bureau has already approved the transfer.

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Consideration:

The consideration of the formulae, medical approval number and the right of future development of thirty-nine pharmaceutical products is RMB43,600,000 and is payable in cash. The consideration will be financed from the internal resources of the Company and satisfied by the Company in cash as follows:

- (i) RMB8,600,000 before the application of the transfer of the medical approval number which has been paid by the Purchaser;
- (ii) RMB20,000,000 within ten days after signing of the Agreement which has been paid by the Purchaser; and
- (iii) RMB15,000,000 within three months after payment of the sum in paragraph (ii) above.

Such consideration has been determined after arm's length negotiations between the parties by reference to the current market value of such pharmaceutical products in the pharmaceutical industry in the PRC by a valuation performed by Fujian Huayi Assets Valuation Limited, an independent property valuer in the PRC on 10 March 2005. According to the latest valuation performed by the said valuer, cost approach method was used by the valuer as the method of valuation and the valuation obtained was RMB43,820,000 as at 5 September 2004. According to the valuation report, the valuer uses the costs of the pharmaceutical products to determine their value. Such costs include (i) the research and development of the pharmaceutical products, which include research and development on the skill, quality, stability, clinical effect and bioequivalence; (ii) the fee for application of the medical approval numbers; and (iii) marketing fees of the pharmaceutical products. There is no discount of cash flow for any future event.

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 Nan Shaolin brandname in the PRC.

To the best knowledge of the Directors, the business of the Vendor is manufacture, sale, research and development of pharmaceutical products.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE ACQUISITION

The thirty-nine pharmaceutical products cover granule, powder, herbal tea, solution, syrup, eye drop, ear drop, inhalant and tincture (for external application). Their functions include health food, slimming, pain killing caused by flu, nutrition supplements, pain killing caused by eye and nose diseases, treatment of neurasthenia and treatment of anaphylaxis disease etc. Through the acquisition of the formulae, medical approval number and right of future development of the thirty-nine pharmaceutical products, 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.

The Directors consider that the terms of the Agreement are fair and reasonable and are in the interest of the Shareholders 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 number and right of future development of the thirty-nine pharmaceutical products 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.

Your attention is also 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

1. 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 in this circular misleading.

2. 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 and 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 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 are taken or deemed to have under such provisions of SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules:

| Name of Director | Number of Shares held | Approximate % of the relevant issued share capital | Nature of interest |
|------------------|--------------------------|---|---------------------------|
| Zhong Houtai | 211,720,000 | 52.93% | Corporate (<i>Note</i>) |

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.

3. 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

4. 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 Divisions 2 and 3 of Part XV of the SFO:

| Name of Shareholder | Number of Shares held | Approximate % of the issued share capital |
|-----------------------|--------------------------|---|
| Elite Achieve Limited | 211,720,000 | 52.93% (Note) |
| Zhong Houtai | 211,720,000 | 52.93% (Note) |

Notes:

1. The interest held by Elite Achieve Limited and Mr. Zhong Houtai refers to the same parcel of Shares.
2. The entire 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.

5. SERVICE CONTRACT

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).

6. LITIGATION

As at the Latest Practicable 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 claims of material importance was pending or threatened by or against the Company or any of its subsidiaries.

7. MISCELLANEOUS

- (a) The principal share registrar of the Company is Bank of Butterfield International (Cayman) Ltd. 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 Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (b) The secretary and qualified accountant of the Company is Mr. Chai Chung Wai, a fellow member of the Association of Chartered Certified Accountants and an associate of the 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.