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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 NON-LISTED WARRANTS

SUMMARY

The Directors are pleased to announce that on 21 April 2009 (after trading hours), the Warrant Placing Agreement was entered into between the Company and the Placing Agent whereby the Company appointed the Placing Agent as the sole and exclusive placing agent to procure not less than six Placees to subscribe for up to 92,000,000 Warrants, on a best effort basis, at the Warrant Issue Price of HK\$0.02 per Warrant. Further announcement will be made by the Company once the number of Warrants placed by the Placing Agent is confirmed.

The Warrants entitle the Placees to subscribe for a maximum of 92,000,000 New Shares at an initial subscription price of HK\$0.415 per New Share (subject to adjustment) for a period of 12 months commencing from (and inclusive of) the date of issue of the Warrants. Each Warrant initially carries the right to subscribe for one New Share.

It is intended that the net proceeds from the Warrant Placing of up to approximately HK\$1,543,000 will be applied as the general working capital of the Group and any additional proceeds from the issue of the New Shares upon the exercise of the subscription rights attaching to the Warrants in future up to a maximum amount of HK\$38.18 million will be applied as the general working capital and as funds for future development of the Group.

The New Shares to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants will be issued under the General Mandate. Assuming the full exercise of the subscription rights attaching to the Warrants, the total net funds, including the funds raised by the Warrant Placing, to be raised is approximately HK\$39.72 million.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

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THE WARRANT PLACING AGREEMENT

Set out below is a summary of the principal terms on the placing of Warrants:

Date: 21 April 2009 (after trading hours).

Parties: (i) The Company; and

- (ii) The Placing Agent. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is not a connected person (as defined in the Listing Rules) of and is independent of, and not connected with, the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules).

Placees:

The Warrants will be placed with not less than six Placees, which will be institutional, corporate and/or individual investors. The choice of Placees shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules. Notwithstanding the aforesaid, the Placing Agent will use its best endeavor to ensure that (i) each of the Placees and/or their respective ultimate beneficial owner(s) is not a connected person (as defined in the Listing Rules) and is independent of, and not connected with, the Company, any director(s), chief executive(s) or substantial shareholder(s) (as defined in the Listing Rules) of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules); and (ii) immediately upon the exercise of the subscription rights attached to the Warrants, none of the Placees will become a substantial Shareholder.

Conditions: Completion of the Warrant Placing Agreement is subject to the fulfillment of the following conditions:

- (i) if required, the Listing Committee of the Stock Exchange having approved the issue of the Warrants either unconditionally or subject to such conditions to which both the Company and the Placing Agent shall reasonably accept; and
- (ii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the New Shares either unconditionally or subject to such conditions to which both the Company and the Placing Agent shall reasonably accept, and such permission and listing not subsequently being revoked or withdrawn prior to Completion.

In the event that any of the above conditions is not fulfilled on or before 30 June 2009 (or such later date as may be agreed between the Company and the Placing Agent), the Warrant Placing Agreement and all rights and obligations thereunder will cease and terminate and neither of the parties to the Warrant Placing Agreement will have any claim against the other for costs, damages, compensation or otherwise except for any antecedent breach.

Completion: Completion shall take place on the second Business Day after the date on which the conditions above are fulfilled (or such other date as the Company and the Placing Agent may agree).

PRINCIPLE TERMS OF THE WARRANTS

Number of Warrants: 92,000,000 Warrants, which will rank pari passu in all respects among themselves.

Warrant Issue Price: HK\$0.02 per Warrant.

<p>Number of New Shares issuable upon full exercise:</p>	<p>Upon full exercise of the subscription rights attached to the Warrants, 92,000,000 New Shares will be issued which represent approximately 19.83% of the Company's existing issued share capital and approximately 16.55% of the Company's issued share capital as enlarged by the allotment and issue of all of the New Shares, assuming no Shares are further issued or repurchased and no adjustment to the subscription price of the Warrants.</p>
<p>Subscription price and right:</p>	<p>The Warrants will carry the right to subscribe for New Shares at the initial subscription price of HK\$0.415 per New Share, subject to adjustments for, among others, subdivision or consolidation of Shares, issue of Shares by capitalisation of profits or reserves, capital distribution to the Shareholders, grant to the Shareholders of rights to acquire for cash assets of the Company or any of its subsidiaries, offer or grant by the Company to the Shareholders of new Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 90% of the applicable market price, issue of convertible securities at a consideration which is less than 90% of the applicable market price of the underlying Shares, and issue of Shares at a price of less than 90% of the applicable market price. Every adjustment to the subscription price of the Warrants will be certified by the auditors of the Company or an approved merchant bank.</p> <p>The initial subscription price represents:</p> <ul style="list-style-type: none"> (i) a premium of approximately 5.06% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on 21 April 2009, being the date of the Warrant Placing Agreement; and (ii) a premium of approximately 3.49% to the average closing price of HK\$0.401 per Share as quoted on the Stock Exchange for the last 5 trading days of the Shares immediately before and including the date of the Warrant Placing Agreement.

The subscription price was determined after arm's length negotiations between the Company and the Placing Agent. The Board is of the opinion that the subscription price and the premium are fair, reasonable and in the best interest of the Company.

Subscription restriction:	Holder(s) of the Warrants shall not be entitled to exercise the whole or part of the subscription rights under the Warrant(s) to the extent that immediately after such exercise, the relevant holder together with parties acting in concert with it (as defined under the Takeovers Code), taken together, will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company (or in such percentage as may from time to time be specified in the Takeovers Code being the level for triggering a mandatory general offer) or otherwise, a general offer shall be given in accordance with the requirement of the Takeovers Code or where applicable, waiver from the Shareholders is obtained in accordance with the Takeovers Code. Further, holders of Warrant shall not have the right to exercise the whole or part of the subscription rights under the Warrant(s) to the extent that immediately after such exercise, there will not be sufficient public float of the Shares as required under the Listing Rules.
Exercise Period:	12 months from (and inclusive of) the date of issue of the Warrants.
Transferability:	The Warrants are transferable in whole amounts or in part in integral multiples of the subscription price of the Warrant for the time being in force provided that no transfer of Warrants to connected persons (as defined in the Listing Rules) shall be allowed without the prior approval of the Company and the Stock Exchange.

Listing:	No application will be made for the listing of the Warrants on the Stock Exchange or any other exchange, but application will be made for the listing of, and permission to deal in, the New Shares on the Stock Exchange.
Ranking of the New Shares:	The New Shares, when issued and fully paid up, will rank pari passu in all respects with the Shares in issue at the time when the subscription rights attached to the Warrant(s) concerned are duly exercised.
Fractional Entitlements:	Upon exercise of the subscription rights attaching to the Warrants, no fraction of a Share will be allotted but any balance representing fractions of the subscription moneys paid on exercise of the subscription rights represented by the relevant Warrant will be refunded by the Company to the relevant holder of Warrants.
Call:	If at any time Warrants which have not been exercised carry rights to subscribe less than 10% in value of all subscription rights, the Company may, on giving not less than 3 months' notice, require holders of the Warrants either to exercise their subscription rights or to allow them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled without compensation to holders of such Warrants.
Commission:	The Placing Agent will receive a commission of 2% on the aggregate Warrant Issue Price in respect of such number of Warrants successfully placed by it pursuant to the Warrant Placing Agreement.

USE OF PROCEEDS AND REASONS FOR THE WARRANT PLACING

The net proceeds from the Warrant Placing are up to approximately HK\$1,543,000, which will be used as the general working capital of the Group. Any additional proceeds from the issue of the New Shares upon the exercise of the subscription rights attaching to the Warrants in future up to a maximum amount of HK\$38.18 million will be applied as the general working capital and as funds for future development of the Group. Assuming the full exercise of the subscription rights attaching to the Warrants, the total net funds, including the funds raised by the Warrant Placing, to be raised is approximately HK\$39.72 million. The net price to the Company of each Warrant, which is calculated by dividing the aggregate net proceeds from the Warrant Placing and the exercise of the subscription rights attaching to the Warrants by the total number of the Warrant, is approximately HK\$0.43.

The Board considers that the Warrant Placing Agreement was entered into on normal commercial terms after arm's length negotiations between the Company and the Placing Agent and that the terms of the Warrant Placing Agreement (including the Warrant Issue Price and subscription price of the Warrants) are fair and reasonable so far as the interests of the Company and its Shareholders as a whole are concerned. The Board also considers that the Warrant Placing Agreement will strengthen the financial position (in particular, the working capital and cash flow position) of the Group.

MANDATE TO ISSUE NEW SHARES

The New Shares will be issued pursuant to the General Mandate. Immediately prior to entering into the Warrant Placing Agreement, the General Mandate had not been utilized, thus the maximum number of new Shares which could be issued under the General Mandate was 92,779,800 Shares (not exceeding 20% of the aggregate nominal amount of the total issued share capital of the Company of 463,899,000 Shares on 28 May 2008). The Warrant Placing is not subject to any Shareholders' approval.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

There is no other fund raising activities of the Company during the past 12 months immediately preceding the date of this announcement.

CHANGES OF SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 463,899,000 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full exercise of the subscription rights attaching to the Warrants (assuming that there will be no further changes in the issued share capital of the Company prior to such exercise and no adjustment to the subscription price of the Warrants) are as follows:

	As at the date of this announcement		Immediately after the full exercise of the subscription rights attaching to Warrants	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Elite Achieve Limited (<i>Note</i>)	211,720,000	45.64%	211,720,000	38.09%
Katsomalos Nikolaos	116,000,000	25.01%	116,000,000	20.87%
Public				
The Placees	–	–	92,000,000	16.55%
Other Public	136,179,000	29.35%	136,179,000	24.49%
	136,179,000	29.35%	228,179,000	41.04%
Total	<u>463,899,000</u>	<u>100.00%</u>	<u>555,899,000</u>	<u>100.00%</u>

Note: 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.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the New Shares to be issued on exercise of the Warrants must not, when aggregated with all other equity securities remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under share option schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the date of this announcement, there are no securities with subscription rights outstanding and not yet exercised. Assuming (i) full exercise of the subscription rights attaching to the Warrants at the initial subscription price of HK\$0.415; and (ii) no Shares are further issued and repurchased, 92,000,000 New Shares will be issued, representing (i) approximately 19.83% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.55% of the issued share capital of the Company as enlarged by the allotment and issue of all of the New Shares. Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

GENERAL

The principal activities of the Group are manufacture, sale, research and development of pharmaceutical products and investment holding.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, shall have the meanings ascribed to them below:

“Board”	the board of Directors
“Business Day”	any day (excluding Saturday) on which banks generally are open for business in Hong Kong throughout their normal business hours
“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

“Completion”	completion of the Warrant Placing
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 28 May 2008 to allot and issue new Shares which is subject to the limit up to 20% of the issued share capital of the Company as at the date of passing the resolution at the said general meeting (i.e 92,779,800 Shares)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	new Share(s) which may fall to be allotted and issued at the initial subscription price of HK\$0.415 (subject to adjustment) upon the exercise of the subscription rights attached to the Warrants
“Placee(s)”	the subscriber(s) of the Warrants procured by the Placing Agent
“Placing Agent”	China Merchants Securities (HK) Co., Limited, a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong
“Warrant(s)”	up to a maximum of 92,000,000 unit(s) of unlisted warrants to be issued by the Company at the Warrant Issue Price per Warrant, in registered form, conferring rights to the holders thereof to subscribe for New Share(s) at an initial subscription price of HK\$0.415 per New Share (subject to adjustment);
“Warrant Issue Price”	HK\$0.02 per unit of Warrant
“Warrant Placing”	placing of the Warrants at the Warrant Issue Price pursuant to the Warrant Placing Agreement
“Warrant Placing Agreement”	the conditional placing agreement dated 21 April 2009 and entered into between the Company and the Placing Agent in relation to the Warrant Placing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	Per cent.

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

Hong Kong, 21 April 2009

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