BROAD INTELLIGENCE INTERNATIONAL PHARMACEUTICAL HOLDINGS LIMITED

博智國際藥業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1149)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

The board of directors (the "Board") of the Broad Intelligence International Pharmaceutical Holdings Limited ("The Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries ("the Group") for the year ended 31 December 2008 together with comparative figures for the previous year as follows:

These consolidated financial statements have been audited by the Company's external auditors and reviewed by the Company's audit committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	Note	**2008** *HK$'000*	2007 *HK$'000*
Turnover			
Sales of pharmaceutical products	*3*	**422,321**	411,990
Cost of sales		**(312,307)**	(252,187)
Gross profit		**110,014**	159,803
Other revenue	*3*	**6,310**	7,394
Selling and distribution expenses		**(51,797)**	(28,138)
General and administrative expenses		**(32,460)**	(30,046)
Profit before taxation	*4*	**32,067**	109,013
Income tax	*5*	**(8,534)**	(18,268)
Profit attributable to equity holders of the Company	*6*	**23,533**	90,745
Dividends	*7*	**–**	16,720
Earnings per share			
– Basic and diluted	*8*	**HK5.07 cents**	HK20.49 cents

CONSOLIDATED BALANCE SHEET

At 31 December 2008

	Note	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**569,903**	245,461
Prepaid lease payments		**2,294**	2,262
Prepayments		**17,100**	70,630
Intangible assets		**91,904**	78,689
Investment in subsidiaries		**–**	–
		681,201	397,042
CURRENT ASSETS			
Inventories		**60,113**	38,140
Trade and other receivables	*10*	**6,175**	101,618
Tax recoverable		**1,660**	–
Cash and cash equivalents		**3,314**	123,827
		71,262	263,585
CURRENT LIABILITIES			
Trade and other payables	*11*	**57,422**	58,702
Taxation payable		**–**	4,808
		57,422	63,510
NET CURRENT ASSETS		**13,840**	200,075
NON CURRENT LIABILITIES			
Other payable		**42,541**	–
NET ASSETS		**652,500**	597,117
Represented by:			
SHARE CAPITAL	*12*	**46,390**	46,390
RESERVES		**606,110**	550,727
SHAREHOLDERS' EQUITY		**652,500**	597,117

Notes:

1. GENERAL

The Company was incorporated in the Cayman Islands on 16 April 2003 as an exempted company with limited liability under the Companies Law (2002 Revision) of the Cayman Islands and its shares have been listed on The Stock Exchange of Hong Kong Limited with effect from 24 November 2003. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The measurement basis used in the preparation of the financial statements is the historical cost basis except certain financial instruments which are measured at fair value.

In the current year, the Group has where applicable applied the following amendments and interpretations ("new HKFRS") issued by the HKICPA which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification on financial Assets
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior year adjustment is required.

The Group has not early applied any of the new and revised standards, amendments or interpretations which have been issued but are not yet effective for the current accounting period.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKAS 1 (Revised)	Presentation of Financial Statements[2]
HKAS 23 (Revised)	Borrowing Cost[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[3]
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial instruments and Obligations Arising on Liquidation[2]
HKAS 39 (Amendment)	Eligible Hedged Items[3]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[2]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards[3]
HKFRS 2 (Amendment)	Share-based Payment Vesting Conditions and Cancellations[2]
HKFRS 3 (Revised)	Business Combinations[3]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[3]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[6]

[1] Effective for annual periods beginning on or after 1 January 2009 except for the amendment to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

[2] Effective for annual periods beginning on or after 1 January 2009

[3] Effective for annual periods beginning on or after 1 July 2009

[4] Effective for annual periods beginning on or after 1 July 2008

[5] Effective for annual periods beginning on or after 1 October 2008

[6] Effective for transfers of assets from customers received on or after 1 July 2009

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first reporting period beginning on or after 1 July 2009.

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

The directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group and the Company.

3. TURNOVER AND OTHER REVENUE

Turnover represents the invoiced value of goods sold after deducting goods returned, trade discount and sale tax.

Turnover and other revenue consisted of:

	2008	2007
	HK$'000	*HK$'000*
Turnover		
Sales of pharmaceutical products	**422,321**	411,990
Other revenue and net income		
Bank interest income	**754**	1,545
Total interest income on financial assets not at fair value through profit or loss	**754**	1,545
Net exchange gain	**5,556**	5,713
Gain on disposal of prepaid lease payments	**–**	136
	6,310	7,394
Total revenue	**428,631**	419,384

4. PROFIT BEFORE TAXATION

The profit before taxation are stated after charging the following:

	2008	2007
	HK$'000	*HK$'000*
Amortisation of intangible assets	**15,530**	12,281
Amortisation of prepaid lease payments	**109**	101
Auditor's remuneration	**595**	580
Cost of inventories#	**312,307**	252,187
Depreciation of property, plant and equipment#	**27,888**	13,814
Impairment loss on intangible assets	**3,248**	–
Research and development costs	**75**	56
Writing off deposit paid on registration of trademark	**60**	–
Share-based payment expenses	**–**	287
Staff costs (including directors' remuneration)#		
Salaries and allowance	**5,354**	5,149
Contributions to retirement scheme	**841**	802
	6,195	5,951
Operating lease payment in respect of premises	**1,059**	587

Notes: # Cost of inventories includes HK$27,332,000 (2007: HK$14,254,000) relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed separately above.

5. INCOME TAX

	2008	2007
	HK$'000	*HK$'000*
Current tax – PRC enterprise income tax		
Provision for the year	**8,534**	18,268

(i) Fujian Nanshaolin Pharmaceutical Co., Ltd., a wholly foreign owned enterprise, was subject to PRC enterprise income tax at a rate of 18% (2007: 15%) applicable to the company on the assessable profits for the year.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise income tax (the "New Law") by order no. 63 of the president of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulation of the New Law. Under the New Law and Implementation Regulation, the Enterprise income tax rate of the Group's subsidiary in the PRC was increased from 15% to 18% progressively from 1 January 2008 onwards.

(ii) No provision for Hong Kong profits tax has been made as the Group had no assessable profits for the year (2007: Nil).

(iii) The Group had no significant unprovided deferred tax assets or liabilities at 31 December 2008 (2007: Nil).

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2008	2007
	HK$'000	*HK$'000*
Profit before taxation	**32,067**	109,013
Notional tax on profit before tax, calculated at the rates, applicable to profits in the jurisdictions concerned	**5,858**	16,272
Tax effect of non-taxable income	**(786)**	(409)
Tax effect of non-deductible expenses	**2,455**	928
Tax effect of unused tax losses not recognised	**1,007**	1,477
Actual tax expense	**8,534**	18,268

6. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated profit attributable to equity holders of the Company includes a loss of approximately HK$8,321,000 (2007: a loss of HK$8,429,000) which has been dealt with in the financial statements of the Company.

7. DIVIDENDS

a) Dividend payable attributable to the year

The directors do not recommend the payment of final dividend for the year (2007: Nil).

b) Dividend payable attributable to the previous financial year, approved and paid during the year:

	2008	2007
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year during the year HKNil (2007: HK3.8) cents per share	**–**	16,720

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year is based on the consolidated profit attributable to ordinary equity holders of the Company of approximately HK$23,533,000 (2007: HK$90,745,000) and the weighted-average of 463,899,000 ordinary shares (2007: 442,922,000 ordinary shares) in issue during the year.

Weighted average number of ordinary shares

	2008	2007
	'000	*'000*
Issued ordinary shares at 1 January	**463,899**	400,000
Issue of shares through placing *(note 12(i) and (iii))*	**–**	41,843
Exercise of share option *(note 12(ii))*	**–**	1,079
Weighted average number of ordinary shares at 31 December	**463,899**	442,922

(b) Diluted earnings per share

Diluted earnings per share equal to basic earnings per share for the year ended 31 December 2007 and 2008 as the exercise price of the Company's outstanding share options was higher than the average market price for shares for the year and therefore it is anticipated that no share option to subscribe for the Company's shares will be exercised.

9. SEGMENT REPORTING

More than 95% of the operating profits and assets are attributable to the Group's operations, manufacturing and sales of pharmaceutical products in the PRC. Accordingly, no analysis by geographical and business segment is presented here.

10. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade receivables	**3,745**	100,420	**–**	–
Prepayments and deposits	**2,430**	1,198	**662**	1,193
	6,175	101,618	**662**	1,193

The amount of the Group's and the Company's deposits, prepayments and trade receivables are expected to be recovered or recognised as expense within one year.

(a) The ageing analysis of trade receivables is as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Not yet due	**3,745**	100,420

Trade receivables were neither past due nor impaired.

Trade receivables are due within 90 days from the date of billing.

(b) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Neither past due nor impaired	**3,745**	100,420

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

11. TRADE AND OTHER PAYABLES

The ageing analysis of accounts payables is as follows:

	The Group		The Company	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade creditors	**3,432**	29,112	**–**	–
Accrued and other payable	**53,988**	29,062	**558**	587
Amount due to a director	**2**	528	**–**	–
Financial liabilities measured at amortised cost	**57,422**	58,702	**558**	587

The following is an ageing analysis of trade payables as at the balance sheet date:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
0 to 30 days	**3,432**	29,112

12. SHARE CAPITAL

The Company

	Number of shares		Amount	
	2008	2007	**2008**	2007
Ordinary shares of HK$0.1 each	***'000***	*'000*	***HK$'000***	*HK$'000*
Authorised	**2,000,000**	2,000,000	**–**	200,000
Issued and fully paid	**463,899**	400,000	**46,390**	40,000
As at 1 January				
Issue of shares through placing *(Note 12(i))*	**–**	40,000	**–**	4,000
Exercise of share option *(Note 12(ii))*	**–**	2,000	**–**	200
Issue of shares through placing *(Note 12(iii))*	**–**	21,899	**–**	2,190
As at 31 December	**463,899**	463,899	**46,390**	46,390

(i) On 14 February 2007, Elite Achieve Limited ("the Seller"), a company wholly and beneficially owned by Mr. Zhong Houtai, an executive Director and the chairman of the Board entered into (i) the Placing Agreement with the Company and Galaxy China Opportunities Fund, ("the Purchaser"), a third party independent of the Company and connected persons of the Company, pursuant to which the Seller agreed to sell and the Purchaser agreed to buy 40,000,000 shares of the Company ("the Sale Shares") at the price of HK$0.88 per Sale Share and (ii) the Subscription Agreement with the Company and the Purchaser, pursuant to which the Company has conditionally agreed to allot and issue 40,000,000 new Shares to the Seller at the price of HK$0.88 per Subscription Share. The net proceeds of the placement of HK$35,200,000 was used for additional working capital of the Group.

(ii) On 18 June 2007, options were exercised to subscribe for 2,000,000 ordinary shares in the Company at a consideration of HK$1,180,000 of which HK$200,000 was credited to share capital and the balance of HK$980,000 was credited to the share premium account. HK$491,000 has been transferred from the share option reserve to the share premium account.

(iii) On 8 August 2007, Elite Achieve Limited ("the Seller"), a company wholly and beneficially owned by Mr. Zhong Houtai, an executive Director and the chairman of the Board entered into (i) the Placing Agreement with the Company and DKR SoundShore Oasis Holding Fund Ltd., ("the Purchaser"), a third party independent of the Company and connected persons of the Company, pursuant to which the Seller agreed to sell and the Purchaser agreed to buy 21,899,000 shares of the Company ("the Sale Shares") at the price of HK$0.97 per Sale Share and (ii) the Subscription Agreement with the Company, pursuant to which the Company has conditionally agreed to allot and issue 21,899,000 new shares to the Seller at the price of HK$0.97 per Subscription Share. The net proceeds of the placement of HK$21,242,030 will be applied to build factory and purchase equipment for refinery and storage purposes within the scope of pharmaceutical business of the Company.

13. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2008 not provided for in the financial statements were as follows:

	The Group	
	2008	2007
	HK$'000	*HK$'000*
Authorised and contracted for		
– the acquisition of property, plant and equipment	**–**	16,621
– the acquisition of intangible assets	**5,700**	9,650
	5,700	26,271

14. POST BALANCE SHEET EVENT

On 21 April 2009, the Company entered into the Warrant Placing Agreement with the Placing Agent, a third party independent of the Company, 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 the best effort basis, at the Warrant Issue Price of HK$0.02 per Warrant.

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.

15. COMPARATIVE FIGURES

With a view of financial statements presentation, certain items in the financial statements were reclassified which would result in a more appropriate presentation of events or transactions. Accordingly comparative figures have been reclassified to conform with the current year's presentation.

CHAIRMAN'S STATEMENT

I am pleased to present to our shareholders the annual report of Broad Intelligence International Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2008.

BUSINESS REVIEW

Result

The Group gained a satisfactory growth in sale in the first half of 2008. However, it was affected by the global economic downturn in the second half of 2008 with a decline in sale. Nevertheless, the whole-year sale maintained the same as compared to 2007. Sale in healthcare pharmaceutical products even achieved a significant growth, reflecting that it was a wise strategy for the Group to develop healthcare pharmaceutical products since 2005.

Prospect and Strategy

The deepening plan for medical reform by State Council stated that from now on to 2011, amount of RMB850 billion will be injected to promote the five main fields of medical reform, namely medicare security, basic pharmaceutical, basic-level medical hygiene service system and basic public hygiene service. The plan proposed the achievement of "Medicare Security for Whole Nation" within three years and expected that all residents in rural areas or cities will get basic medicare security in 2011. Thus, pharmaceutical industry has a bright future. Since the Group's mission is to provide Chinese people with quality parenteral solution and healthcare pharmaceutical products, certainly it will benefit from this plan.

The Group has a foresight. Prior to this plan, it has established strategies to welcome the good prospect. In 2008, the Group optimized its production facilities and equipment and raise the popularity of its brand "Fujian Nanshaolin"(福建南少林) by advertisement, which laid a firm foundation on its production and sale. Admittedly, these strategies cost a lot, optimization of production facilities increased depreciation resulting in a higher cost of sale in the coming years and advertising activities also increase the selling expenses. Although profit for the current year will lower by these expenses immediately, the Group focuses on the long-term benefit rather than the short-term and dedicates to earning a long-lasting and favorable return for our shareholders.

Placing non-listed warrants

To further explore its business, the Group made a placing of non-listed warrants on 21 April 2009. The net proceeds from warrant placing will be applied as the general working capital of the Group and any additional proceeds from issue of new shares upon the exercise of the subscription rights attaching to the warrants in future will be applied as the general working capital of the Group as well as the fund for the Group's future development. The Board considered placing shares as an opportunity for the Group to raise fund and to enlarge the Group's shareholder base and capital base, and through the activities, the liquidity of the shares would be improved.

DIVIDENDS AND DIVIDEND POLICY

In view of the cloudy economic situation, the Board considered that resources should be retained for contingent use. Therefore, the Board of Directors do not recommend the distribution of final dividend for the year ended 31 December 2008 (2007: nil).

APPRECIATION

On behalf of the Board, I would like to express my warmest thanks to the management and our employees for their unswerving dedications and significant contributions. I would also like to extend my sincere gratitude to all our shareholders and investors for their endless support. With the solid business base and the effort of all staff, the Group will strive for an outstanding result next year.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

In 2008, the Group launched 21 healthcare pharmaceutical products (2007: 21) with turnover of approximately HK$114 million, up approximately 37% as compared to HK$83 million in 2007. We also launched 71 parenteral solution products (2007: 66) in 2008 with turnover of approximately HK$308 million, down approximately 69% as compared to HK$328 million in 2007. The healthcare pharmaceutical products and parenteral solution products accounted for 27% and 73% of the total turnover of the Group respectively.

For the year ended 31 December 2008, the consolidated turnover of the Group was approximately HK$422 million, up 2% as compared to the turnover of same period last year of approximately HK$412 million. Net profit after taxation was approximately HK$24 million, down 74% as compared to same period last year of approximately HK$91 million. Gross margin was approximately 26% (2007: 39%). Earnings per share of the Group in 2008 was HK5.07 cents (2007: HK20.49 cents).

Sale of products

As at 31 December 2008, the Group offered 92 types of products in different package, which were all sold in the PRC and denominated in Renminbi. Customers of the Group mainly comprised licensed pharmaceutical distributors, hospitals and clinics in the PRC.

Major Districts in the PRC

For the year ended 31 December

	2004		2005		2006		2007		**2008**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	***HK$'000***	***%***
Eastern Region (Shanghai, Zhejiang province, Jiangxi province and Fujina province)	134,153	57	158,081	61	225,172	66	273,433	66	**257,582**	**61**
Southwestern Region (Yunan Province, Guizhou Province and Chongqing)	37,084	16	33,646	13	47,694	14	53,463	13	**61,802**	**14**
Southern Region (Guangdong Province and Guangxi Autonomous Region)	44,094	19	49,159	19	57,379	16	70,532	17	**80,046**	**19**
Northern Region (Beijing and Henan Province)	14,761	6	14,340	5	5,665	2	3,992	1	**11,738**	**3**
Central Region (Anhui Province and Hunan Province)	3,805	2	4,606	2	6,322	2	10,570	3	**11,153**	**3**
Total	233,897	100	259,832	100	342,232	100	411,990	100	**422,321**	**100**

Type of Customers

For the Year ended 31 December

	2004		2005		2006		2007		**2008**	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	***HK$'000***	*%*
Distributors	185,896	79	197,246	76	234,941	69	315,591	77	**339,975**	**81**
Hospitals and Clinics	48,001	21	62,586	24	107,291	31	96,399	23	**82,346**	**19**
Total	233,897	100	259,832	100	342,232	100	411,990	100	**422,321**	**100**

Financial information

The Group had cash and bank balances totalling HK$3.3 million as at 31 December 2008. As the Group had no outstanding bank loan, the gearing ratio was zero (2007: zero). The current and quick ratios in 2008 were 1.24 and 0.19 respectively (2007: 4.15 and 3.55). As at 31 December 2008, the debtors turnover, inventory turnover and creditors turnover were 3 days, 52 days and 5 days respectively (2007: 89 days, 34 days and 41 days respectively). Overall, the Group has a sound financial position to support its future development.

Capital expenditure

During the year ended 31 December 2008, the Group acquired new property, plant and equipment totaling HK$337 million.

Contingent liabilities

As at 31 December 2008, the Group and the Company did not have any significant contingent liability (2007: Nil).

Charge on the Group's assets

The Group had no charges on the assets as at 31 December 2008.

Changes in the organisation of the Group

Since its listing and up to 31 December 2008, the Group did not acquire or dispose of any subsidiary.

Closure of register of members

The Register of Members of the Company will be closed from 2 June 2009 to 3 June 2009, both days inclusive, during which period no transfers of shares shall be effected. In order to be eligible to attend and vote at the annual general meeting of the Company to be held on 1 June 2009, all transfers of shares accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Tricor Standard Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 1 June 2009.

Audit committee

The audit committee has three members, including the Company's three independent non-executive Directors, namely Mr. Pei Renjiu, Mr. Li Kai Ming and Mr. Cheung Chuen. The duties of the audit committee are to review the Company's annual report and accounts, interim reports and to provide advice and comments thereon to the Board. In addition, the audit committee will consider any significant and unusual items that are, or may need to be reflected in such reports and accounts and must give due consideration to any matter that has been raised by the Company's qualified accountant, compliance officer and auditor. The audit committee is also responsible for reviewing and supervising the financial reporting process and the internal control system of the Group. Four meetings were held during the current financial year.

Employees and remuneration policy

As at 31 December 2008, the Group had a total of 114 employees (December 2007: 134). The Group regularly reviews the remuneration and benefits of employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including staff provident fund scheme and discretionary bonus scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

The 2008 Annual Report containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange will be published on the website of the Stock Exchange in the due course.

CODE OF BEST PRACTICE AND CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited throughout the accounting year covered by the Annual Report, except for the following deviations:

– Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhong Houtai is the chairman and Executive Director of the Company responsible for the Group's operations in the PRC. The Board believed that the vesting of the two roles to Mr. Zhong provides the Group with stable and consistent leadership and allows for more effective planning and implementation of the long term business strategies. If the Company can identify a suitable person with capable leadership, knowledge on medicines and relevant skills and experiences for the post from within the Group or outside, the Company may consider appointing a chief executive officer.

– Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation at the Annual General Meeting of the Company in accordance with the by-laws of the Company.

MODEL CODE

During the accounting period covered by this Annual Report, the Company had complied with the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules. After making inquiry of the directors, the Company confirmed that the directors of the Company had complied with the provisions of the Model Code for Securities Transactions by Directors.

APPRECIATION

I would like to take this opportunity to extend my deepest gratitude to the directors and staff as a whole for their immense contribution, dedication and diligence over the year.

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

Hong Kong, 24 April 2009

Websites: *www.broadintelligence.com.hk*
www.irasia.com/listco/hk/broadintelligence

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