

**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 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 B & B Group Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the 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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**B & B Group Holdings Limited**  
**(中國蜂業集團有限公司\*)**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code : 8156)

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
PROPOSED REFRESHMENT OF THE 10 PER CENT LIMIT ON  
THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME,  
RE-ELECTION OF DIRECTORS,  
RE-APPOINTMENT OF AUDITORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of B & B Group Holdings Limited to be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 31 October 2005 at 10:30 a.m. is set out on pages 16 to 19 of this circular. Whether or not you are able to attend the annual general meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the principal place of business of B & B Group Holdings Limited at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjourned meeting (as the case may be) should you so wish.

This circular, for which the directors of B & B Group Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to B & B Group Holdings Limited. The directors of B & B Group Holdings Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) 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.

*This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*

29 September 2005

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## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

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**GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of The Stock Exchange of Hong Kong Limited and no assurance is given that there will be a liquid market in the securities traded on GEM.**

**The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted in newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issues.**

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## DEFINITIONS

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

- “AGM” means the annual general meeting of the Company for the financial year ended 30 June 2005 to be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 31 October 2005 at 10:30 a.m., the notice of which is set out on pages 16 to 19 of this circular;
- “Articles of Association” means the articles of association of the Company as may be amended from time to time;
- “Associates” has the meaning as defined under the GEM Listing Rules;
- “Code” means the Hong Kong Code on Takeovers and Mergers;
- “Company” means B & B Group Holdings Limited, a company incorporated in the Cayman Islands and whose shares are listed on GEM;
- “Director(s)” means the directors of the Company;
- “Eligible Participants” means:–
- (i) any employee (whether full time or part time, including any executive director, non-executive director and independent-non-executive director) of the Company, any subsidiary or any Invested Entity; or
  - (ii) any supplier of goods or services to any member of the Group or any Invested Entity; or
  - (iii) any customer of the Group or any Invested Entity; or
  - (iv) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; or
  - (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- “Existing Share Option Scheme” means the existing share option scheme of the Company adopted pursuant to the ordinary resolution passed by the Shareholders on 18 October 2002;
- “GEM” means the Growth Enterprise Market of the Stock Exchange;

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## DEFINITIONS

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“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the GEM;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Invested Entity”	means any entity in which any member of the Group holds any equity interest;
“Latest Practicable Date”	means 27 September 2005, being the latest practicable date prior to the printing of this circular;
“Notice”	means the notice convening the AGM which is set out on pages 16 to 19 of this circular;
“Repurchase Mandate”	means a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing Resolution No. 6;
“Share(s)”	means share(s) of par value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	means the shareholder(s) of the Company; and
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.



**B & B Group Holdings Limited**

(中國蜂業集團有限公司\*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8156)

*Executive Directors:*

Madam Cheung Kwai Lan (*Chairman*)

Mr. Chan Tung Mei

Mr. Chan Ting

Mr. Lau Hin Kun

*Non-executive Director:*

Mr. Kyle Arnold Shaw Junior

*Independent non-executive Directors:*

Professor Peter Chin Wan Fung

Mr. Tian He Nian

Mr. Du Ying Min

Mr. Tsui Wing Tak

*Registered office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

Cayman Islands

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

30th Floor

Sunshine Plaza

No. 353 Lockhart Road

Hong Kong

29 September 2005

*To the shareholders*

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE SHARES AND REPURCHASE SHARES,  
PROPOSED REFRESHMENT OF THE 10 PER CENT LIMIT ON THE  
GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME,  
RE-ELECTION OF DIRECTORS,  
RE-APPOINTMENT OF AUDITORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM to be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 31 October 2005 at 10:30 a.m.. These include: (i) the ordinary resolutions to grant to the Directors the general mandates to issue Shares and to repurchase Shares; (ii) the ordinary resolution to refresh the 10% limit on the grant of options under the Existing Share Option Scheme; (iii) the ordinary resolution to re-elect Directors; and (iv) the ordinary resolution to re-appoint auditors of the Company.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### GENERAL MANDATES

At the annual general meeting (the “2004 AGM”) of the Company held on 1 November 2004, ordinary resolutions were passed by the then Shareholders to give general unconditional mandates to the Directors to:

- (1) allot, issue and deal with additional Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the requisite resolution at the 2004 AGM;
- (2) repurchase such number of Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the requisite resolution at the 2004 AGM; and
- (3) extend the general mandate granted to the Directors to allot, issue and deal with additional Shares as mentioned in paragraph (1) above by the amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the general mandate granted to the Directors as mentioned in paragraph (2) above.

The above general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to give fresh general mandates to the Directors. The Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares pursuant thereto.

At the AGM, separate ordinary resolutions will be proposed to give to the Directors a fresh general mandate (i) to allot, issue and otherwise deal with additional Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of Resolution No. 5 as set out in the Notice during the period from the date of the passing of Resolution No. 5 up to: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying such mandate, whichever occurs first; (ii) to repurchase Shares with an aggregate nominal amount up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of Resolution No. 6 as set out in the Notice during the period from the date of the passing of Resolution No. 6 up to: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the Repurchase Mandate, whichever occurs first; and (iii) to add to such general mandate so granted to the Directors to allot, issue and otherwise deal with additional Shares by an amount representing the aggregate nominal amount of the share capital of the Company (up to maximum of 10% of the aggregate nominal amount of the then issued share capital of the Company) repurchased under the Repurchase Mandate. The relevant resolution is set out as Resolution No. 7 in the Notice.

Resolutions numbered 5 to 7 are set out in the Notice on pages 16 to 19 of this circular.

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## LETTER FROM THE BOARD

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### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out in Appendix II to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the AGM.

### PROPOSED REFRESHMENT OF THE 10% LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

The Company adopted the pre-IPO share option scheme (the “**Pre-IPO Scheme**”) and the Existing Share Option Scheme on 18 October 2002 (the “**Adoption Date**”).

Pursuant to the Pre-IPO Scheme, the following Directors have been granted share options to subscribe for Shares, details of which as at the Latest Practicable Date were as follows:

Name of director	Date of grant	Exercise price (HK\$)	No. of options granted	Outstanding as at the Latest Practicable Date
Cheung Kwai Lan	18/10/2002	0.23	4,000,000	–
Chan Tung Mei	18/10/2002	0.23	4,000,000	–
Chan Ting	18/10/2002	0.23	4,000,000	–
Peter Chin Wan Fung	18/10/2002	0.23	2,600,000	870,000

At present, the Company has no other share option scheme apart from the Pre-IPO Scheme and the Existing Share Option Scheme. Up to the Latest Practicable Date, options carrying the rights to subscribe for 40,000,000 Shares have been granted under the Pre-IPO Scheme, of which options carrying the rights to subscribe for a total of 36,130,000 Shares were exercised and options carrying the rights to subscribe for a total of 870,000 Shares remain outstanding. Meanwhile, up to the Latest Practicable Date, options carrying the rights to subscribe for 40,000,000 Shares (including 1,200,000 share options granted to the non-executive director, Mr. Shaw Kyle Arnold Junior and 1,600,000 share options granted to the executive director, Mr. Lau Hin Kun) had been granted under the Existing Share Option Scheme, all of which remain unexercised and outstanding. As at the Latest Practicable Date, an aggregate of 40,870,000 options, representing 8.48% of the issued share capital of the Company, remain outstanding under the Pre-IPO Scheme and the Existing Share Option Scheme.

Under the rules of the Existing Share Option Scheme and subject to the GEM Listing Rules:–

- (1) For the purpose of grant of options after the adoption of the Existing Share Option Scheme, the total number of Shares which may be issued upon exercise of all options to be granted under the Existing Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date, or 40,000,000 Shares (the “**General Scheme Limit**”).



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## LETTER FROM THE BOARD

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- (2) The Company may seek shareholders' approval to refresh the General Scheme Limit on the grant of options under the Existing Share Option Scheme as and when required. For this purpose, the total number of Shares which may be issued upon the exercise of all options granted under the Existing Share Option Scheme and any other share option schemes of the Company under the limit as "refreshed" must not exceed 10% of the Shares of the Company in issue as at the date of approval of the limit as refreshed.

Options previously granted under the Existing Share Option Scheme and any other share option schemes of the Company including those outstanding, cancelled, lapsed in accordance with such scheme(s) or exercised options will not be counted for the purpose of calculating the limit as "refreshed"; and

- (3) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Existing Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the Shares of the Company in issue from time to time.

If the General Scheme Limit is "refreshed" on the basis of 482,130,000 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the AGM, the General Scheme Limit will be re-set to 48,213,000 Shares (being 10% of the issued share capital of the Company as at the date of the AGM in which the refreshed limit is approved) and the Company will be allowed to grant further options under the Existing Share Option Scheme and any other share option schemes of the Company carrying the rights to subscribe for a maximum of 48,213,000 Shares.

The purpose of the Existing Share Option Scheme is to encourage the Eligible Participants to perform their best in achieving the goals of the Group and to recognise the contribution of and provide incentives to the employees and directors of the Group. The refreshment of the General Scheme Limit will allow the Directors more flexibility in employing the Existing Share Option Scheme in the future should they need to grant more options that are over the current limit to recognize contributions made to the Group. Accordingly, the Directors would like to take the AGM as an opportunity to approve the refreshment of the General Scheme Limit instead of calling a separate extraordinary general meeting.

In this regard, the Company will seek approval from the Shareholders in the AGM for refreshing the General Scheme Limit. Application will be made to the GEM Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares, representing a maximum of 10% of the issued share capital as at the date of passing of the relevant resolution for refreshing the General Scheme Limit, which may be issued upon the exercise of the options to be granted under the aforesaid refreshed limit of the Existing Share Option Scheme. The Directors confirm that the refreshment of the General Scheme Limit shall not be subject to other condition or approval apart from the above.

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## LETTER FROM THE BOARD

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Resolution no. 8 as set out in the Notice will be proposed at the AGM to approve the refreshment of the General Scheme Limit on the grant of options under the Existing Share Option Scheme.

### **RE-ELECTION OF DIRECTORS**

As at the Latest Practicable Date, the Board consists of four executive Directors, namely Madam Cheung Kwai Lan, Mr. Chan Tung Mei, Mr. Chan Ting and Mr. Lau Hin Kun, one non-executive Director, namely Mr. Kyle Arnold Shaw Junior and four independent non-executive Directors, namely Professor Peter Chin Wan Fung, Mr. Tian He Nian, Mr. Du Ying Min and Mr. Tsui Wing Tak.

Pursuant to Article 116 of the Articles of Association, at each annual general meeting, one-third of the Directors (other than the Managing Director or Joint Managing Director) for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one-third, shall retire from office by rotation.

Pursuant to Article 99 of the Articles of Association, any Director appointed to fill a casual vacancy or as an addition to the existing Board 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 provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116 of the Articles of Association.

Professor Peter Chin Wan Fung and Mr. Chan Ting, being Directors to retire by rotation pursuant to Article 116 of the Articles of Association, shall retire from office and being eligible, offer themselves for re-election at the AGM.

Mr. Lau Hin Kun and Mr. Tian He Nian, being Directors appointed by the Board after the Company's last annual general meeting held on 1 November 2004, will hold office until the AGM pursuant to Article 99 of the Articles of Association and, being eligible, offer themselves for re-election at the AGM.

Biographical details of the above Directors to be re-elected which are required to be disclosed under the GEM Listing Rules are set out in Appendix I to this circular.

Resolution no. 3 as set out in the Notice will be proposed at the AGM to approve the re-election of the Directors.

### **RE-APPOINTMENT OF AUDITORS**

Messrs. W.H. Tang & Partners CPA Limited was appointed as the auditors of the Company in the last annual general meeting of the Company held on 1 November 2004. The appointment of Messrs. W.H. Tang & Partners CPA Limited shall expire upon the conclusion of the AGM. It is therefore proposed to seek your approval by way of ordinary resolution (Resolution No. 4 as set out in the Notice) to be proposed at the AGM to approve the re-appointment of Messrs. W.H. Tang & Partners CPA Limited as auditors of the Company for the forthcoming year.

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## LETTER FROM THE BOARD

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Resolution no. 4 as set out in the Notice will be proposed at the AGM to approve the re-election of the auditors of the Company.

### ANNUAL GENERAL MEETING

A notice convening the AGM to be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 31 October 2005 at 10:30 a.m. is set out on pages 16 to 19 of this circular.

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting (as the case may be) should you so wish.

A resolution put to the vote at the AGM will 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 duly demanded. A poll may be demanded by:

- (a) the chairman of the AGM; or
- (b) at least five Shareholders present in person or by representative(s) or by proxy/proxies and entitled to vote; or
- (c) any Shareholder or Shareholders present in person or by representative(s) or by proxy/proxies 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 AGM; or
- (d) any Shareholder or Shareholders present in person or by representative(s) or by proxy/proxies and holding Shares conferring a right to attend and vote at the AGM on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors are of the opinion that the proposed ordinary resolutions for granting to the Directors the general mandates to issue Shares and repurchase Shares, the ordinary resolution to refresh the 10% limit on the grant of options under the Existing Share Option Scheme, the ordinary resolutions to re-elect the Directors, the ordinary resolutions to re-appoint the auditors of the Company referred to in this circular are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend you to vote in favour of such resolutions at the AGM.

### GENERAL

Your attention is also drawn to the appendices to this circular.

### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
By order of the Board  
**B & B Group Holdings Limited**  
**Chan Ting**  
*Director*

The biography of the Directors, who will retire from office by rotation at the AGM pursuant to Article 116 of the Articles of Association, and being eligible, will offer themselves for re-election at the AGM, is set out as follows:

### **Independent non-executive Director**

**Professor Peter Chin Wan Fung**, aged 67, is the Chair Professor and Chief of Medical Physics at the University of Hong Kong. He completed his Ph.D. program in 1966 at the University of Tasmania, Australia. He worked at the Institute for Plasma Research of Stanford University between 1968 and 1970. He then worked at the University of Hong Kong from September 1970 until the present day. He also acted as the Scientific Consultant to Stanford University and as a Visiting Professor to Kansas University. He acquired his Reader title in 1980, became the Personal Professor of Physics in 1984 and founded the Division of Medical Physics in the University of Hong Kong in 1998. He is one of the Members of the Board of Trustees of the Chinese University of Hong Kong – New Asia College. He is an editorial advisory member of the DRUG Indexed Medical Specialty publication. He has published well over 260 research articles in international peer reviewed journals and over 10 text books for Hong Kong high schools. He was appointed as an independent non-executive Director in September 2002.

Except as disclosed above, Professor Chin Wan Fung does not hold any other positions in the Company or any of its subsidiaries and has not held any directorship in any other listed companies in the last three years.

As at the Latest Practicable Date, Professor Peter Chin Wan Fung had personal interests of 1,730,000 Shares and options to subscribe for 870,000 Shares under the Pre-IPO Scheme. Save as disclosed herein, Professor Peter Chin Wan Fung does not have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO nor any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Professor Peter Chin Wan Fung has entered into a service contract with the Company on 18 October 2002 for a term of 3 years. If he is re-elected at the AGM, Professor Peter Chin Wan Fung will hold office until he retires by rotation in accordance with Article 116 of the Articles of Association.

### **Executive Director**

**Mr. Chan Ting**, aged 35, joined the Group in July 2001. He has over ten years of solid working experience in establishing and managing companies in the PRC. He was awarded a degree in Economics from Macquarie University in Australia in 1993. He is an executive director of Aptus Holdings Limited (“**Aptus**”). Aptus is a company listed on the GEM of the Stock Exchange and is a subsidiary company of the Company. He is also the director of certain subsidiaries of the Company. Except as disclosed above, Mr. Chan Ting does not hold any other positions in the Company or any of its subsidiaries and has not held any other directorships of listed companies in the last 3 years.

As at the latest Practicable Date, Mr. Chan Ting has neither any interests in the shares or underlying shares of the Company within the meaning of Part XV of the SFO. He is the son of Madam Cheung Kwai Lan and Mr. Chan Tung Mei, both being executive Directors. Save as disclosed herein, Mr. Chan Ting does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Mr. Chan Ting entered into a service agreement with the Company on 18 October 2002 for a term of 3 years. He is entitled to an initial annual remuneration of HK\$1,300,000 which shall be increased by not less than 5% after each completed year of service subject to certain conditions. He is also entitled to a discretionary bonus (subject to certain conditions) and reasonable out-of-pocket expenses. If re-elected at the AGM, Mr. Chan Ting will hold office until he retires by rotation in accordance with Article 116 of the Articles of Association.

The biography of the Directors, who was appointed after the Company's last annual general meeting held on 1 November 2004 and will hold office until the AGM pursuant to Article 99 of the Articles of Association, being eligible and will offer themselves for re-election at the AGM, is set out as follows:

#### **Executive Director**

**Mr. Lau Hin Kun**, aged 46, was appointed as an executive Director of the Company with effect from 20 May 2005. He has over twenty years of experience in the banking sector and accounting experience of both Hong Kong and the PRC and he previously worked in Nanyang Commercial Bank, Limited, Charlio International Holdings Limited and Chiyu Banking Corporation Limited. He is also the Finance Manager of Aptus and is the director of certain subsidiaries of the Company.

Except as disclosed above, Mr. Lau Hin Kun does not hold any other positions in the Company or any of its subsidiaries and has not held any other directorships of listed companies in the last 3 years.

As at the Latest Practicable Date, Mr. Lau Hin Kun holds 805,000 Shares, representing 0.17% interest in the Company and 1,600,000 share options under Existing Share Option Scheme. Save as aforesaid, Mr. Lau Hin Kun has neither any interests in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) nor any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Mr. Lau Hin Kun has not entered into any service contract with the Company and he is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the Articles of Association. As disclosed in the Company's announcement dated 20 May 2005, all fees and emoluments to be received by Mr. Lau Hin Kun will be fixed by the Board subject to shareholders' approval at the AGM and determined by reference to the remuneration policy of the Company and the market benchmark. If re-elected at the AGM, Mr. Lau Hin Kun will hold office until he retires by rotation in accordance with Article 116 of the Articles of Association.

**Independent Non-executive Director**

**Mr. Tian He Nian**, aged 65, was the deputy head of the Department of United Front Work of the Central Government of China from 1998 to 2003. He is the vice-chairman of China Overseas Association. Mr. Tian He Nian is also an independent non-executive director and audit committee member of Aptus. He was appointed as an independent non-executive director and audit committee member of the Company with effect from 23 November 2004.

Except as disclosed above, Mr. Tian He Nian does not hold any other positions in the Company or any of its subsidiaries and has not held any other directorships of listed companies in the last 3 years.

Mr. Tian He Nian has neither any interests in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) nor any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders of the Company (within the meaning of the GEM Listing Rules).

Mr. Tian He Nian has not entered into any service contract with the Company and he is not appointed for a specific term since he is subject to retirement by rotation and re-election in accordance with the Articles of Association. As disclosed in the Company's announcement dated 23 November 2004, he is entitled to receive a director's fee of HK\$78,000 per annum, which is determined based on the estimated time to be spent by him on the Company's matters. If re-elected at the AGM, Mr. Tian He Nian will hold office until he retires by rotation in accordance with Article 116 of the Articles of Association.

This is an explanatory statement given to all Shareholders relating to the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules which is set out as follows:

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

As at the Latest Practicable Date prior to the printing of this document, the issued share capital of the Company comprised of 482,130,000 Shares.

Subject to the passing of the Resolution No. 6 and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the company would be allowed under the Repurchase Mandate to repurchase a maximum of 48,213,000 Shares during the period from the date of the passing of the Resolution No. 6 as set out in the Notice up to (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 is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

### **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase securities on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

### **4. GENERAL**

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in its most recent published audited accounts for the financial year ended 30 June 2005 in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.



## 5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the GEM during the current month and each of the previous eleven months before the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	HK\$	HK\$
September 2004	0.68	0.58
October 2004	0.66	0.59
November 2004	1.01	0.60
December 2004	0.92	0.68
January 2005	0.83	0.63
February 2005	0.74	0.66
March 2005	0.79	0.65
April 2005	0.69	0.60
May 2005	0.80	0.57
June 2005	0.77	0.68
July 2005	0.75	0.69
August 2005 ( <i>Note</i> )	1.88	0.98
September 2005 (Up to the Latest Practicable Date) ( <i>Note</i> )	N/A	N/A

*Note:* Trading of the Shares has been suspended since 15 August 2005

## 6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum and Articles of Association and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their Associates have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders at the AGM.

No connected person (as defined in the GEM Listing Rules) has notified the Company that it has any present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

## 7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Code), depending on the level of increase in the Shareholders' interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the substantial Shareholders of the Company and the number of Shares held by them are:

Name of Shareholders	No. of Shares	Approx. percentage	If Repurchase Mandate exercised in full
Best Frontier Investments Limited ( <i>Note 1</i> )	262,080,000	54.36%	60.40%
Chan Tung Mei ( <i>Note 1</i> )	263,460,000	54.65%	60.72%
Cheung Kwai Lan ( <i>Note 2</i> )	263,460,000	54.65%	60.72%
Oppenheimerfunds, Inc.	26,000,000	5.39%	5.99%
China Value Investment Limited	24,620,000	5.11%	5.67%
Asian Value Investment Fund, L.P. ( <i>Note 3</i> )	24,620,000	5.11%	5.67%

*Notes:*

1. The 262,080,000 shares are owned by Best Frontier Investments Limited, which is owned as to 99.89% and 0.11% by Madam Cheung Kwai Lan and Mr. Chan Tung Mei respectively. Mr. Chan Tung Mei is the spouse of Madam Cheung Kwai Lan. Accordingly, Mr. Chan Tung Mei is deemed to be interested in all the shares of the Company registered in the name of Best Frontier Investments Limited. In addition, 1,380,000 shares are owned by Madam Cheung Kwai Lan and being the spouse of Madam Cheung Kwai Lan, Mr. Chan Tung Mei is deemed to be interested in the shares of the Company registered in the name of Madam Cheung Kwai Lan.
2. The 262,080,000 shares are owned by Best Frontier Investments Limited, which is owned as to 99.89% and 0.11% by Madam Cheung Kwai Lan and Mr. Chan Tung Mei respectively. Madam Cheung Kwai Lan is the spouse of Mr. Chan Tung Mei. Accordingly, Madam Cheung Kwai Lan is deemed to be interested in all the shares of the Company registered in the name of Best Frontier Investment Limited. In addition, Madam Cheung Kwai Lan is the beneficial owner of 1,380,000 shares of the Company.
3. The 24,620,000 shares are owned by China Value Investment Limited, which is wholly owned by Asian Value Investment Fund, L.P. Accordingly, Asian Value Investment Fund, L.P. is deemed to be interested in all the shares of the Company registered in the name of China Value Investment Limited.

In the event that the Directors shall exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate to be proposed at the AGM, the total interests/deemed interests of the above substantial Shareholders would be increased to approximately the respective percentages shown in the last column above. On the basis of the shareholdings held by the substantial Shareholders named above, an exercise of the Repurchase Mandate in full will not have any implications under the Code.

## 8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company, whether on the Stock Exchange or otherwise, in the six months preceding the Latest Practicable Date.

# B & B

## B & B Group Holdings Limited (中國蜂業集團有限公司\*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 8156)

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of the shareholders of B & B Group Holdings Limited (the “**Company**”) will be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 31 October 2005 at 10:30 a.m. for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors of the Company (the “**Directors**”) and auditors for the year ended 30 June 2005;
2. to declare a final dividend for the year ended 30 June 2005;
3. to re-elect certain Directors and authorize the board of directors of the Company (the “**Board of Directors**”) to fix their remuneration;
4. to re-appoint the auditors of the Company and to authorize the Board of Directors to fix their remuneration;
5. as special business, to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

“**THAT:**

- a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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- c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the grant or exercise of any option under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- d) for the purpose of this resolution, “Relevant Period” means the period from the date of 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 is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. as special business, to consider and, if thought fit, pass with our without amendments the following resolution as an ordinary resolution:

**“THAT:**

- a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its shares on the GEM or any other stock exchange on which the shares of the Company may be listed and recognized by The Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any such other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- b) the aggregate nominal amount of shares of the Company authorised 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 issued share capital of the Company at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- c) for the purpose of this resolution, “Relevant Period” means the period from the date of 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 is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

7. as special business, to consider and, if thought fit, pass with our without amendments the following resolution as an ordinary resolution:

**“THAT** conditional upon resolutions nos. 5 and 6 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution no. 5 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 6 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the said resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. as special business, to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the ordinary shares of HK\$0.01 each (the “**Shares**”) in the share capital of the Company (representing a maximum of 10 per cent of the ordinary shares of the Company in issue as at the date of passing this resolution) which may be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 18 October 2002 (the “**Scheme**”), the refreshing of the scheme limit on grant of options under the Scheme and any other share option scheme(s) of the Company up to 10 per cent, of the ordinary shares of the Company in issue as at the date of passing this resolution (the “**Refreshed Mandate Limit**”) be and is hereby approved and any director of the Company be and is hereby authorised to do such act and execute such document to effect the Refreshed Mandate Limit.”

By order of the Board  
**B & B Group Holdings Limited**  
**Chan Ting**  
*Director*

Hong Kong, 29 September 2005

*Registered office:*

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies  
Cayman Islands

*Principal place of business*

*in Hong Kong:*  
30th Floor  
Sunshine Plaza  
No. 353 Lockhart Road  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of such member. A proxy need not be a member of the Company.
2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders), seniority being determined by the order in which names stand in the register of members.
3. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the principal place of business of the Company at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting (or any adjournment thereof).
4. As at the date of this notice, the directors of the Company are Madam Cheung Kwai Lan, Mr. Chan Tung Mei, Mr. Chan Ting, Mr. Lau Hin Kun, Mr. Kyle Arnold Shaw Junior, Professor Peter Chin Wan Fung, Mr. Tian He Nian, Mr. Du Ying Min and Mr. Tsui Wing Tak.