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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)

**RESCISSION OF CONDITIONAL SALE AND PURCHASE  
AGREEMENT RELATING TO THE ACQUISITION OF  
A 75% EQUITY INTEREST IN SKILLTIME MANAGEMENT LIMITED AND  
TERMINATION OF PLACING AGREEMENT  
AND SUBSCRIPTION AGREEMENT**

**Rescission of Conditional Sale and Purchase Agreement**

Reference is made to the announcement of the Company dated 11 August 2005 (the “Announcement”). The Board announces that on 26 August 2005, the Purchaser entered into the Rescission Agreement with the Vendor after arm’s length negotiations. Pursuant to the Rescission Agreement, the parties thereto have mutually agreed to rescind the Conditional Sale and Purchase Agreement.

**Termination of Placing Agreement and Subscription Agreement**

On 12 August 2005, (i) the Vendors and the Placing Agent entered into the Placing Agreement; and (ii) the Subscriber and the Company entered into the Subscription Agreement respectively.

Pursuant to the Placing Agreement, the Placing Agent agreed to place, on a best effort basis, an aggregate of 36,000,000 existing Shares (as to 34,620,000 Shares by Best Frontier and 1,380,000 Shares by Madam Cheung Kwai Lan), representing approximately 7.47% of the existing issued share capital of the Company and approximately 7.03% of the issued share capital as enlarged by the Subscription, at a price of HK\$1.4356 per Placing Share on behalf of the Vendors.

On 26 August 2005, the Vendors and the Subscriber entered into a termination agreement with the Placing Agent and the Company respectively, pursuant to which the Placing Agreement and the Subscription Agreement were terminated with effect from 26 August 2005 and neither parties shall have any claim against the other(s).

At the request of the Company, the trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 15 August 2005 and remains suspended pending, including and not limited to, the release of an announcement to clarify certain inaccurate information regarding Beijing Zhongmin Dongfeng contained in the Announcement.

\* For identification purpose only

## **CLARIFICATION IN RESPECT OF ARTICLES**

The Company noted that certain information as disclosed in the announcement of the Company dated 11 August 2005 (the “Announcement”) has been misconstrued. The details of inaccurate information regarding Beijing Zhongmin Dongfeng will be announced under separate announcement in due course.

## **RESCISSION OF CONDITIONAL SALE AND PURCHASE AGREEMENT**

Reference is made to the Announcement. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless expressly stated otherwise.

The Board announces that on 26 August 2005, the Purchaser, a wholly owned subsidiary of the Company entered into the rescission agreement in relation to the rescission of the Conditional Sale and Purchase Agreement (the “Rescission Agreement”) with the Vendor.

Pursuant to the terms of the Rescission Agreement, the parties thereto have mutually agreed to rescind the Conditional Sale and Purchase Agreement and absolutely release and discharge each other from all future claims and demands, liabilities and obligations arising out of or in connection with the Conditional Sale and Purchase Agreement.

The Directors consider that the Rescission Agreement would have no material adverse impact on the business operations of the Company.

### **Reasons for the Rescission Agreement**

Since the publication of the Announcement, there had been some speculations over the accuracy of information contained in the Announcement. Having conducted the legal due diligence exercise (being one of the conditions precedent under the Conditional Sale and Purchase Agreement), the Company confirmed that Directors had noted certain misconstrued information disclosed in the Announcement. The Directors and the parties to the Conditional Sale and Purchase Agreement consider that the reputation of both the Group and Beijing Zhongmin Dongfeng has been adversely affected. Directors believe the reputation of the Company will be further damaged and other speculations may come out, which would require additional resources of the Company to clarify and would in turn interrupt the normal business operation of the Company, if the Company proceeds with such transaction. Therefore, the Company requested and the Vendor (which is beneficially owned as to 60% by Madam Cheung Kwai Lan and 40% by Mr. Chan Ting (son of Madam Cheung Kwai Lan and an executive Director of the Company)) agreed to rescind the Conditional Sale and Purchase Agreement. Meanwhile, the Company is preparing a separate announcement to clarify the inaccurate information regarding Beijing Zhongmin Dongfeng contained in the Announcement and will be published in due course.

**The Stock Exchange is looking into the matter and reserves its rights to take appropriate action against the Company and the Directors regarding the inaccurate information contained in the Announcement.**

## **TERMINATION OF THE PLACING AGREEMENT AND THE SUBSCRIPTION AGREEMENT**

On 12 August 2005, the Vendors entered into the Placing Agreement with the Placing Agent. Pursuant to the Placing Agreement, the Placing Agent agreed to place, on a best effort basis, an aggregate of 36,000,000 existing Shares (as to 34,620,000 Shares by Best Frontier and 1,380,000 Shares by Madam Cheung Kwai Lan), representing approximately 7.47% of the existing issued share capital of the Company and approximately 7.03% of the issued share capital as enlarged by the Subscription, at a price of HK\$1.4356 per Placing Share on behalf of the Vendors.

On 12 August 2005, the Subscriber entered into the Subscription Agreement with the Company. Pursuant to the Subscription Agreement, the Subscriber agreed to subscribe for an aggregate of 30,000,000 new Shares, representing approximately 6.22% of the existing issued share capital of the Company and approximately 5.86% of the issued share capital of the Company as enlarged by the Subscription, at HK\$1.4356 per Subscription Share.

Out of the 6,000,000 existing Shares being disposed of, 1,380,000 Shares were from Madam Cheung Kwai Lan and the balance of 4,620,000 Shares was from Best Frontier.

The Placing Price (and Subscription Price) represents (i) a discount of approximately 3.0% to the closing price of HK\$1.48 per Share as quoted on the Stock Exchange on 12 August 2005, being the last trading day of the Shares immediately before and including the date of this announcement; and (ii) a premium of approximately 63.51% to the average closing price of approximately HK\$0.878 per Share as quoted on the Stock Exchange for the last five trading days ended 12 August 2005.

The Company originally intended to use the proceeds raised from the Subscription as the Company's general working capital. The Company has yet identified investment projects requiring the use of such proceeds.

### **Reasons for the Termination of Placing Agreement and Subscription Agreement**

Pursuant to the Subscription Agreement, the completion of the Subscription shall take place on the date being the second business day after the date upon which the last of the conditions of the Subscription Agreement is fulfilled (the "Completion Date") and such conditions must be fulfilled on or before 25 August 2005, being 14 days from the date of the Subscription Agreement or such other date as the parties to the Subscription Agreement may agree.

As at the date of this announcement, none of the conditions of the Subscription Agreement have been fulfilled and the Subscription failed to proceed to completion on or before the Completion Date. In this regard, the Vendors and the Placing Agent mutually agreed to terminate the Placing Agreement while the Subscriber and the Company mutually agreed to terminate the Subscription Agreement. Two termination agreements were entered into between (i) the Vendors and the Placing Agent; and (ii) the Subscriber and the Company both on 26 August 2005. Pursuant to the deeds of termination, the Placing Agreement and Subscription Agreement were terminated with effect from

26 August and the parties shall not have any claim against the other under the Placing Agreement and Subscription Agreement respectively.

The Directors confirm that the termination of the Placing Agreement and the Subscription Agreement will not have any adverse effect in respect of the Group. The Company will continue to seek for appropriate source of financing when required. The Board confirms that at present, there are no concrete plans for any fund raising exercise in the near future.

Clarification announcement in relation to the unusual price and trading volume movement on 12 August 2005

Reference is made to the announcement of the Company dated 12 August 2005 in relation to clarification of the unusual price and trading volume movement of the Shares (the “Clarification Announcement”). The Company had released the Clarification Announcement at around 11:50 a.m. on 12 August 2005 on the GEM website. The Company further confirmed with the Stock Exchange that contents under the Clarification Announcement remained true and accurate immediately after the close of trading at about 4:00p.m. on the same day. The Directors further confirm that the Placing Agent approached the Company for the Placing after 5:30 p.m. on the same day, and the Placing Agreement was subsequently entered into between the Company and the Placing Agent in late night on the same day. As such, the contents included in the Clarification Announcement remained true and accurate at the time when it was released and the confirmation made by the Company to the Stock Exchange remained true and accurate at the time when such confirmation was made. On 15 August 2005, the Placing Agent confirmed that it had received confirmation from its placees on their subscription orders under the Placing.

## **SUSPENSION OF TRADING**

At the request of the Company, the trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 15 August 2005 and remains suspended pending, including and not limited to, the release of an announcement to clarify certain inaccurate information regarding Beijing Zhongmin Dongfeng contained in the Announcement.

## **DEFINITIONS**

“Best Frontier”	Best Frontier Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial shareholder of the Company which is interested in 54.36% of the Company’s issued share capital;
“Madam Cheung Kwai Lan”	Madam Cheung Kwai Lan, a substantial shareholder of the Company, who has a personal interest of approximately 0.29% and corporate interest of approximately 54.36% in the issued share capital of the Company;

“Placing”	a placing of 36,000,000 Shares by the Vendors;
“Placing Agent”	Shenyin Wanguo Capital (H.K.) Limited
“Placing Agreement”	the placing agreement as constituted by a letter dated as of 12 August 2005 issued by the Placing Agent to the Vendors in relation to the Placing;
“Placing Price”	HK\$1.4356 per Placing Share;
“Placing Shares”	36,000,000 Shares;
“Subscriber”	Best Frontier
“Subscription”	the subscription of 30,000,000 Shares at the Subscription Price;
“Subscription Agreement”	the subscription agreement dated as of 12 August 2005 made between the Company and the Subscriber in relation to the Subscription;
“Subscription Price”	HK\$1.4356 per Subscription Share;
“Subscription Shares”	30,000,000 new Shares to be issued pursuant to the Subscription; and
“Vendors”	Best Frontier and Madam Cheung Kwai Lan.

*As at the date of this announcement, the executive Directors are Madam Cheung Kwai Lan, Mr. Chan Tung Mei, Mr. Lau Hin Kun and Mr. Chan Ting; the non-executive Director is Mr. Shaw Kyle Arnold Junior; and the independent non-executive Directors are Professor Peter Chin Wan Fung, Mr. Tian He Nian, Mr. Du Ying Min and Mr. Tsui Wing Tak.*

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

Hong Kong, 29 September 2005

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

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