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B & B NATURAL PRODUCTS LIMITED

(蜂林天然產品有限公司*)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8156)



APTUS HOLDINGS LIMITED

(問博控股有限公司*)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8212)

JOINT ANNOUNCEMENT

**(1) POSSIBLE DISPOSAL OF 75%
EQUITY INTEREST IN
TOP ENTREPRENEUR PROFITS LIMITED
TO APTUS HOLDINGS LIMITED
AND**

**(2) SUBSCRIPTION OF NEW APTUS
SHARES BY PRECISE RESULT
PROFITS LIMITED
AND**

**(3) RELATED APPLICATION FOR
WHITEWASH WAIVER**

**(1) POSSIBLE ACQUISITION OF 75%
EQUITY INTEREST IN
TOP ENTREPRENEUR PROFITS LIMITED
FROM PRECISE RESULT
PROFITS LIMITED
AND**

**(2) ISSUE OF NEW APTUS SHARES TO
PRECISE RESULT PROFITS LIMITED**

The Transactions

- (i) Aptus conditionally agreed on 23 March, 2004 to acquire a 75% equity interest of the Target at a price of HK\$4,000,000 from the Vendor. The Purchase Price is to be satisfied by the allotment and issue of the Acquisition Consideration Shares at HK\$0.021 per Aptus Share.
- (ii) The Vendor conditionally agreed on 23 March, 2004 to subscribe for 738,095,238 new Aptus Shares at approximately HK\$0.021 per Aptus Share. The issue price per Subscription Share represents (i) a discount of approximately 82.5% to the closing price per Aptus Share of HK\$0.12 as quoted on the GEM on the Last Dealing Date; (ii) a discount of approximately 84.98% to the 5-day average closing price per Aptus Share of HK\$0.1398 as quoted on GEM up to the Last Dealing Date; (iii) a discount of approximately 86.37% to the 10-day average closing price per Aptus Share of HK\$0.1541 as quoted on GEM for the 10 trading days up to and including the Last Dealing Date and (iv) a premium of approximately 20% over the net tangible asset value of approximately HK\$0.0174 per Aptus share as at 30 September, 2003 based on the latest audited financial result of Aptus.

Certain effects of the Transactions

The Vendor and parties acting in concert with it will immediately after Completion, hold approximately 60.02% of the issued share capital of Aptus on a fully-diluted basis (assuming that there will be no change in its share capital from the date of this announcement to Completion). As at the date of this announcement, B & B and parties acting in concert with it do not hold any Aptus Shares.

In connection with the Acquisition and the Subscription, B & B intends to apply for the Whitewash Waiver, without which it would be required under the Takeovers Code to make a mandatory general offer for all the issued Aptus Shares (other than the Consideration Shares and any Aptus Shares already owned or agreed to be acquired by B & B and parties acting in concert with it).

The Sale and Purchase Agreement and the Subscription Agreement are not inter-conditional.

General

The Transactions constitute a connected transaction for Aptus and a discloseable transaction for B & B pursuant to the GEM Listing Rules.

The Stock Exchange has also indicated that based on the information provided by B & B and Aptus, the Transactions constitute a reverse takeover of Aptus under Rule 19.06(5) of the GEM Listing Rules in force immediately prior to 31 March, 2004, and a spin-off proposal of B & B to effect a separate listing of Target and its subsidiaries by injecting them into Aptus which should be subject to approval by the Stock Exchange. Aptus and B & B will appeal this decision and if the appeal is unsuccessful, a condition precedent to completion of the Transactions may not be fulfilled and the Transactions may or may not proceed.

As Completion is subject to the fulfilment of a number of conditions precedent, the Acquisition and/or the Subscription may or may not proceed. Investors should exercise caution when dealing in the Aptus Shares and B & B Shares.

A further announcement will be made by B & B and Aptus should there be any progress on the appeal or the development of the Transactions.

The Transactions and the Whitewash Waiver are conditional upon the approval of the Independent Shareholders. Voting on the Whitewash Waiver will be conducted by poll. Other conditions precedent for the Completion are set out in the subsection headed “Conditions precedent” under the section headed “The Acquisition” and under the section headed “The Subscription” below.

A circular containing, inter alia, further particulars of the Transactions and the Whitewash Waiver as required by the GEM Listing Rules and the Takeovers Code, the recommendations of the independent board committee of Aptus in respect of the Whitewash Waiver and the Transactions, a letter of advice from Tai Fook Capital Limited, the independent financial adviser appointed by Aptus to advise its independent board committee in respect of the Whitewash Waiver and the Transactions and a notice convening the EGM will be sent to the Shareholders as soon as practicable after publication of this announcement.

A circular containing details of the Transactions will be despatched to shareholders of B & B as soon as practicable after publication of this announcement.

Dealings in the B & B Shares on the Stock Exchange were suspended at the request of B & B from 9:30 a.m. on 22 March, 2004 pending for the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the B & B Shares with effect from 9:30 a.m. on 26 April, 2004.

Dealings in the Aptus Shares on the Stock Exchange were suspended at the request of Aptus from 9:30 a.m. on 22 March, 2004 pending for the release of this announcement and clarification of certain financial information of results announcement of Aptus. The Aptus Shares will remain suspended until the further announcement for clarification on certain financial information of results announcement of Aptus and the development of the Transactions is released.

A. The Acquisition

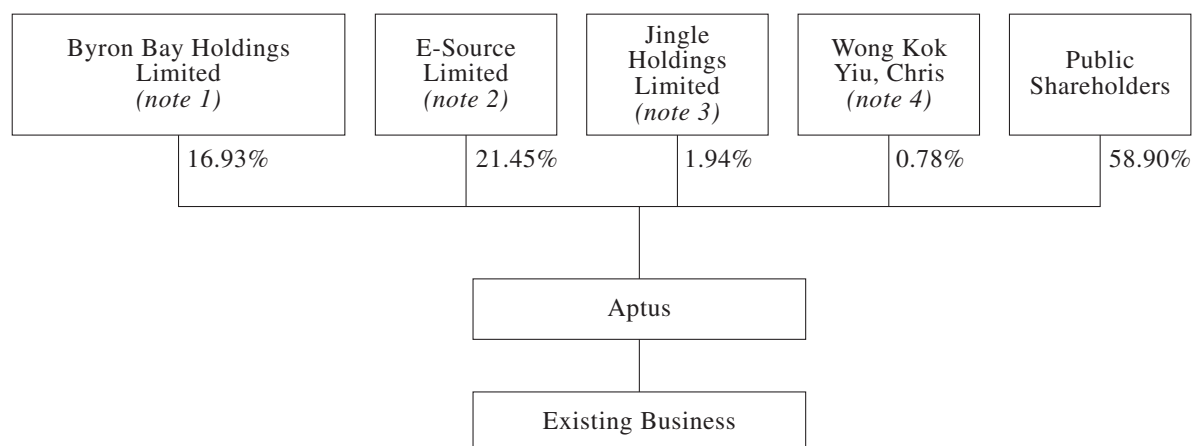
Summary of the Transactions

On 23 March, 2004, Aptus has entered into the Sale and Purchase Agreement with the Vendor and the Warrantors in relation to the acquisition of a 75% interest in the issued share capital of the Target. The consideration for the acquisition of the 75% of the Target shall be satisfied by the allotment and issue of the Acquisition Consideration Shares. On the same day, Aptus has also entered into the Subscription Agreement with the Vendor in relation to the issue of the Subscription Shares for an amount of HK\$15.5 million. Further details of the Sale and Purchase Agreement and the Subscription Agreement are set out below.

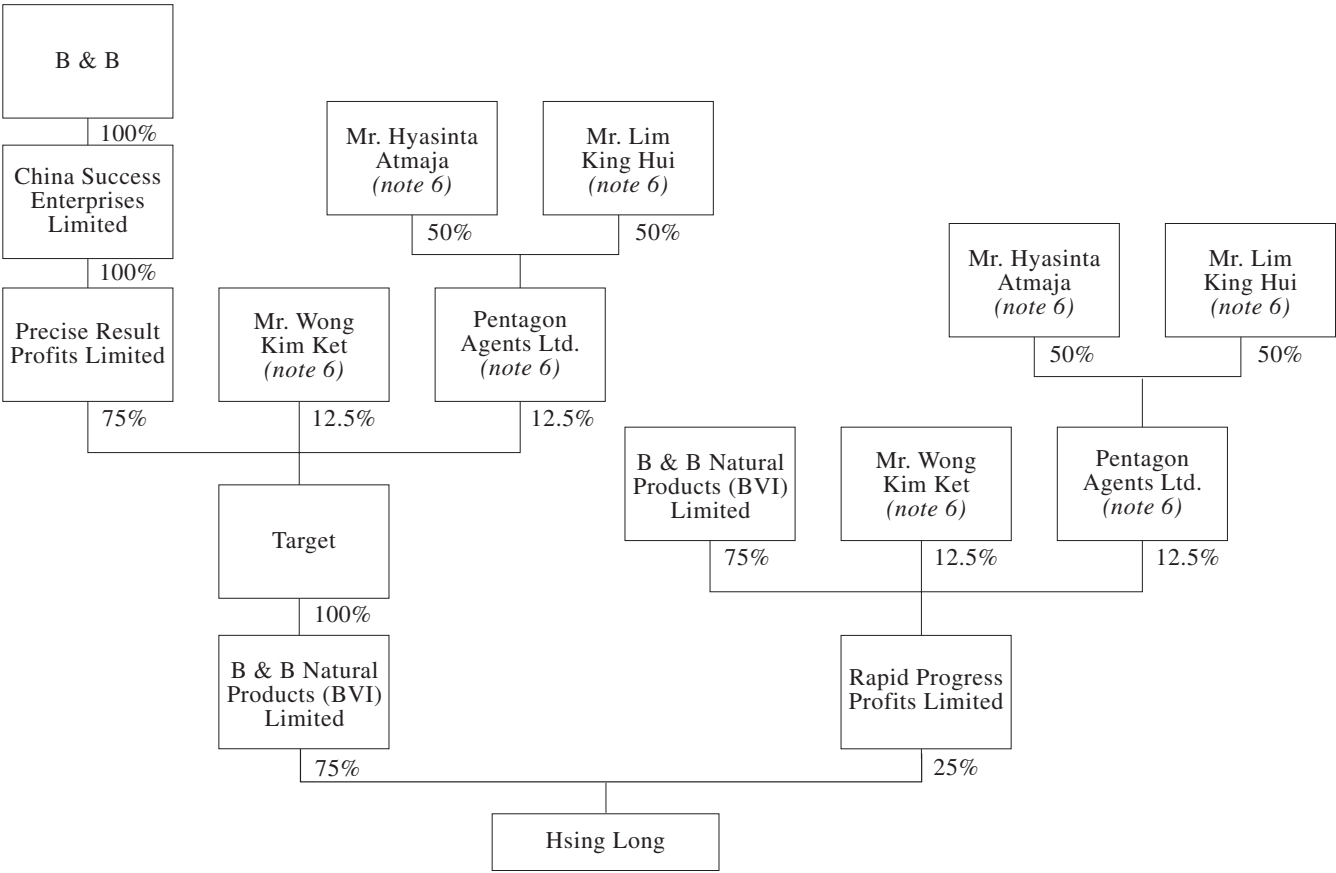
The following diagrams illustrate the shareholding structure of Aptus, B & B and the Target immediately before and after the Completion:

Before the Transactions

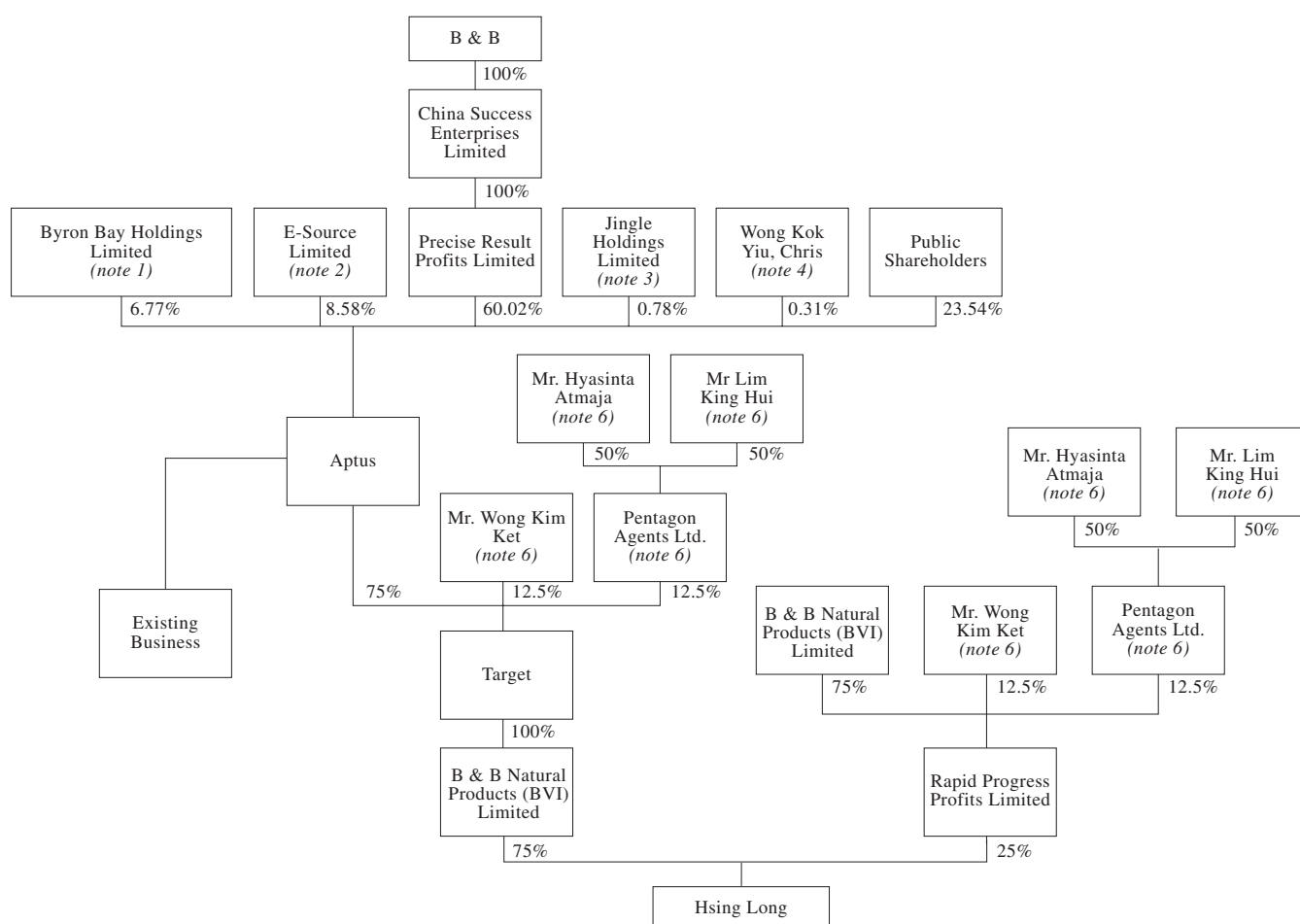
Shareholding structure of Aptus



Shareholding structure of B & B



Upon the Completion



Notes:

1. These Aptus Shares are beneficially owned by the Chen Family 2002 Trust, a discretionary trust. The discretionary objects of which include the family members of Mr. Chen Vee Li, Felix, an executive director of Aptus. Mr. Chen Se Ti, Frank, a non-executive director of Aptus, is the father of Mr. Chen Vee Li, Felix.
2. These Aptus Shares are beneficially owned by E-Source Limited, which is wholly owned by the Ma Family 2002 Trust, a discretionary trust. The discretionary objects of which include to family members of Mr. Ma Wai Hung, Vincent, a non-executive director of Aptus.
3. Jingle Holdings Limited is wholly and beneficially owned by Mr. Ma Wai Hung, Vincent.
4. Mr. Wong Kok Yiu, Chris is a non-executive director of Aptus.
5. The percentages stated above assume that the outstanding Employee Options as at the date of this announcement will not be exercised and that there will not be any changes to the total issued share capital of Aptus as at the date of this announcement to Completion (other than the issue of the Consideration Shares).
6. Mr. Wong Kim Ket, Mr. Hyasinta Atmaja, Mr. Lim King Hui and Pentagon Agents Ltd. are independent third parties not connected with the directors, chief executive or substantial shareholders or management shareholders of Aptus or any of its subsidiaries or their associates.

The Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are as follows:

- Parties to the Agreement:
1. the Vendor as seller
 2. Aptus as purchaser
 3. the Warrantors as warrantors

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is a wholly owned subsidiary of B & B. The B & B Group is principally engaged in the distribution, research and development and manufacture of natural supplementary food products.

Aptus is a company incorporated in the Cayman Islands, the issued Shares of which are listed on GEM. The Aptus Group is a total solutions provider and it targets at international and PRC pharmaceutical and healthcare companies.

The Warrantors are Mr. Ma Wai Hung, Vincent and Mr. Wong Kok Sun, both are directors of Aptus.

Subject matter of purchase: 75% of the Target. The Target is a company incorporated in the British Virgin Islands, which in turn indirectly holds 75% interests of the entire issued share capital of Hsing Long. Further information regarding Hsing Long is set out in the section headed “Information on Hsing Long” below.

Consideration: The Purchase Price is HK\$4,000,000. The Purchase Price will be satisfied by the allotment and issue of the Acquisition Consideration Shares to the Vendor or its nominee nominated by Aptus at approximately HK\$0.021 per Aptus Share.

The Acquisition Consideration Shares of 190,476,190 new Aptus Shares represent approximately 30.8% of the entire existing issued share capital of Aptus and approximately 23.6% of the enlarged issued share capital of Aptus immediately after completion of the Acquisition or approximately 12.3% of the enlarged issued share capital of Aptus immediately after the Completion, assuming that there will be no change in the issued share capital of Aptus from the date of this announcement to Completion save for the issue of the Acquisition Consideration Shares and the Subscription Shares.

The Purchase Price and the issue price per Acquisition Consideration Share were arrived at after arms’ length negotiations among the parties to the Sale and Purchase Agreement with reference to the turnover and financial performance of Hsing Long and the net asset value of Aptus Shares.

The issue price per Acquisition Consideration Share represents (i) a discount of approximately 82.5% to the closing price per Aptus Share of HK\$0.12 as quoted on GEM on the Last Dealing Date; (ii) a discount of approximately 84.98% to the 5-day average closing price per Aptus Share of HK\$0.1398 as quoted on GEM up to and including the Last Dealing Date; (iii) a discount of approximately 86.37% to the 10-day average closing price per Aptus Share of HK\$0.1541 as quoted on GEM up to and including the Last Dealing Date; and (iv) a premium of approximately 20% over the net tangible asset value of HK\$0.0174 per Aptus Share as at 30 September, 2003 based on the latest audited financial result of Aptus.

Conditions precedent:

Completion of the Sale and Purchase Agreement is conditional upon the fulfilment (or waiver, in certain cases) of various conditions precedent. The conditions precedent include, among others, the following:

- (i) the Aptus Shares remaining listed and traded on GEM at all times from the date of the Sale and Purchase Agreement to completion of the Sale and Purchase Agreement, save for any temporary suspension not exceeding fourteen consecutive trading days, or such longer period as the Vendor may accept in writing, and no indication being received on or before completion of the Sale and Purchase Agreement from the SFC or the Stock Exchange to the effect that the listing of the Shares on GEM will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of completion of the Sale and Purchase Agreement or in connection with the terms of the Sale and Purchase Agreement;
- (ii) all consents which are required or appropriate for the entering into or the implementation or completion of the Sale and Purchase Agreement by the Vendor and Aptus or for the performance of their respective obligations under the Sale and Purchase Agreement having been obtained, including, without limitation, such consents (if appropriate or required) of the shareholders of Aptus and of the shareholders of the Vendor, the Stock Exchange and the SFC and all filings with any relevant governmental or regulatory authorities and other relevant third parties in Hong Kong, Cayman Islands or elsewhere which are required or appropriate for the entering into and the implementation of the Sale and Purchase Agreement having been made; all waiting periods required under the laws of Hong Kong, Cayman Islands or any other relevant jurisdictions having expired or terminated; all applicable statutory or other legal obligations having been complied with;
- (iii) the Stock Exchange approving the listing of and permission to deal in the Acquisition Consideration Shares;

- (iv) no indication from the Stock Exchange indicating that it will treat the transactions contemplated by the Sale and Purchase Agreement and/or the Subscription as a reverse takeover or as an application for a new listing of Aptus;
- (v) the warranties, representations and undertakings given by the Vendor and the warranties, representations and undertakings given by Aptus, in the Sale and Purchase Agreement remaining true and accurate in all material respects; and
- (vi) the Vendor having been satisfied in its absolute discretion on its financial due diligence on the consolidated accounts of Aptus for the period ended 30 September, 2003.

The Vendor may waive compliance with the conditions described above save for condition (iii) above.

If the above conditions precedent are not fulfilled or waived (as provided in the Sale and Purchase Agreement) in writing on or before 30 June, 2004 (or such later date as may be agreed by the parties), the Sale and Purchase Agreement will terminate and none of the parties to the Sale and Purchase Agreement shall have any claim against the others for costs, damages, compensation or otherwise, save in respect of any prior breach.

Information on the Target and Hsing Long

The Target is the equity interest of Top Entrepreneur Profits Limited, an investment holding company, which in turn indirectly holds 75% of the entire issued share capital of Hsing Long. The remaining 25% of Top Entrepreneur Profits Limited and Hsing Long are indirectly held by the Independent Third Parties. Hsing Long was incorporated in Singapore in 1996 which is principally engaged in the business of the trading of edible oil by-products by sourcing crude palm oil from Indonesian plantation and selling it to refineries and processors in South East Asia, Indian sub-continent, Europe and in the PRC.

B & B acquired 75% of the equity interest of Hsing Long on 1 January 2003 for a total consideration of HK\$600,000 from independent third parties not connected with the directors, chief executives, substantial shareholders and initial management shareholders of B & B.

Based on Hsing Long's audited financial statements for the three years ended 31 December, 2002 and for the six-month ended 30 June, 2003, its audited net profit before taxation and extraordinary items, audited net profit after taxation and extraordinary items, turnover and net asset value are as follows:

	Twelve-months ended 31/12/2000 (Audited)		Twelve-months ended 31/12/2001 (Audited)		Twelve-months ended 31/12/2002 (Audited)		Six-months ended 30/06/2003 (Audited)	
	(S\$)	HK\$	(S\$)	HK\$	(S\$)	HK\$	(S\$)	HK\$
Turnover	4,971,897	22,671,850	8,652,490	39,455,354	6,745,763	30,760,679	4,764,832	21,727,634
Net asset value	129,333	589,758	162,569	741,315	175,472	800,152	72,223	329,337
Profit/(loss) before tax and extraordinary items	712	3,247	36,936	168,428	19,135	87,256	(30,588)	(139,481)
Taxation	65	296	3,700	16,872	6,232	28,418	(2,811)	(12,818)
Profit/(loss) after tax and extraordinary items	647	2,950	33,326	151,967	12,903	58,838	(27,777)	(126,663)

The financial statements of the Target have not been disclosed in this announcement since the Target is an investment holding company only and its financial figures are immaterial for the Transactions.

B. The Subscription

On 23 March, 2004, the parties specified below entered into the Subscription Agreement which contains terms including those described below.

Parties to the Agreement:

1. the Vendor as subscriber
2. Aptus as issuer

Consideration: The consideration for the Subscription Shares is approximately HK\$15,500,000 payable in cash on completion of the Subscription Agreement.

The Subscription Shares represent approximately 119% existing issued share capital of Aptus and approximately 48% of the enlarged issued share capital of Aptus immediately after the completion of the Subscription Agreement (assuming that there will be no change in the issued share capital of Aptus from the date of this announcement to Completion save for the issue of the Acquisition Consideration Shares and the Subscription Shares).

The issue price per Subscription Share represents (i) a discount of approximately 82.5% to the closing price per Aptus Share of HK\$0.12 as quoted on GEM on the Last Dealing Date; (ii) a

discount of approximately of 84.98% to the 5-day average closing price per Aptus Share of HK\$0.1398 as quoted on GEM for the 5-day period up to and including the Last Dealing Date; (iii) a discount of approximately 86.37% to the 10-day average closing price per Aptus Share of HK\$0.1541 as quoted on GEM for the 10-day period up to and including the Last Dealing Date; and (iv) a premium of approximately 20% over the net tangible asset value of HK\$0.0174 per Aptus Share as at 30 September, 2003 based on the latest audited financial result of Aptus.

The Subscription Price was negotiated on arm's length basis with reference to the net asset value of Aptus, between B & B and Aptus and the directors of B & B and Aptus believe that the terms of the Subscription are fair and reasonable and in the interests of their respective shareholders as a whole.

Conditions precedent:

Completion of the Subscription Agreement is conditional upon the fulfilment (or waiver, in certain cases) of various conditions precedent. The conditions precedent include, among others, the following:

- (i) the Independent Shareholders in the EGM having approved (a) the Subscription Agreement; (b) by a separate resolution the relevant Independent Shareholders having approved the Whitewash Waiver with such Shareholders abstaining as may be required to abstain by law or by the rules of the Stock Exchange and the Executive and Shareholders which involved in or interested in the Transactions be abstained for voting (whether Byron Bay Holdings Limited, E-Source Limited, Jingle Holdings Limited and Mr. Wong Kok Yiu, Chris, a non-executive director of Aptus, can vote or not is not yet determined and is subject to be approval from the Executive and the Stock Exchange);
- (ii) the Stock Exchange approving the listing of and permission to deal in the Subscription Shares;
- (iii) the Executive of the SFC granting the Whitewash Waiver;
- (iv) the Vendor having been satisfied in its absolute discretion on its financial due diligence on the consolidated accounts of Aptus for the period ended 30 September, 2003; and
- (v) no indication from the Stock Exchange indicating that it will treat the transactions contemplated by the Sale and Purchase Agreement and/or the Subscription Agreement as a reverse takeover or as an application for a new listing of Aptus.

The Vendor may waive compliance with the conditions described above save for conditions (ii) above, and the Vendor will not waive condition (iii) above unless the Vendor has demonstrated to the satisfaction of the Executive that in the event that it will be required to make a mandatory offer under the Takeovers Code as a result of the Subscription, it has sufficient financial resources to fulfil its obligations under Rule 26 of the Takeovers Code.

If the above conditions precedent are not fulfilled or waived (as provided in the Subscription Agreement) in writing on or before the date falling 90 days from the date of the Subscription Agreement (or such later date as may be agreed), the Subscription Agreement will terminate and none of the parties shall have any claim against the others for costs, damages, compensation or otherwise, save in respect of any prior breach.

C. Directors and management of Aptus

All executive, non-executive and independent non-executive directors of Aptus (save for Mr. Ma Wai Hung, Vincent and Mr. Wong Kok Sun) are required to resign as directors of Aptus upon completion of the Subscription Agreement. Mr. Ma Wai Hung will remain as a non-executive director of Aptus and Mr. Wong Kok Sun will remain as an executive director of Aptus. Information regarding new directors of Aptus proposed to be appointed to the Board will be included in the circular to be issued to the Shareholders as mentioned in the section headed “General” below.

D. Changes to the shareholding in Aptus as a result of the Transactions

The interest in Aptus of the substantial Shareholders, the directors of Aptus, and the public Shareholders immediately before and after Completion are as follows:

	Date of this announcement		Immediately after completion of the Acquisition but before completion of the Subscription		Immediately after Completion	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Byron Bay Holdings Limited	104,650,000 ^(note 1)	16.93	104,650,000	12.94	104,650,000	6.77
E-Source Limited	132,650,000 ^(note 2)	21.45	132,650,000	16.40	132,650,000	8.58
Jingle Holdings Limited	12,000,000 ^(note 3)	1.94	12,000,000	1.48	12,000,000	0.78
Wong Kok Yiu, Chris	4,800,000 ^(note 4)	0.78	4,800,000	0.59	4,800,000	0.31
Public Shareholders	364,160,000	58.90	364,160,000	45.03	364,160,000	23.54
B & B	nil	nil	190,476,190	23.56	928,571,428	60.02
Total	<u>618,260,000</u>	<u>100.00</u>	<u>808,736,190</u>	<u>100.00</u>	<u>1,546,831,428</u>	<u>100.00</u>

Notes:

1. These Aptus Shares are beneficially owned by the Chen Family 2002 Trust, a discretionary trust. The discretionary objects of which include the family members of Mr. Chen Vee Li, Felix, an executive director of Aptus. Mr. Chen Se Ti, Frank, a non-executive director of Aptus, is the father of Mr. Chen Vee Li, Felix.
2. These Aptus Shares are beneficially owned by E-Source Limited, which is wholly owned by the Ma Family 2002 Trust, a discretionary trust. The discretionary objects of which include the family members of Mr. Ma Wai Hung, Vincent, a non-executive director of Aptus.
3. Jingle Holdings Limited is wholly and beneficially owned by Mr. Ma Wai Hung, Vincent.
4. Mr. Wong Kok Yiu, Chris is a non-executive director of Aptus.
5. The percentages stated above assume that the outstanding Employee Options as at the date of this announcement will not be exercised and that there will not be any changes to the total issued share capital of Aptus as at the date of this announcement to Completion (other than the issue of the Consideration Shares and the Subscription Shares).

E. Reasons for the Acquisition and use of proceeds

Aptus Group has recorded losses for the last two financial years and Aptus will continue its Existing Business with its prudent approach. While the directors of Aptus believe that Aptus Group's current business has potential, its financial position imposes certain constraints. Given the economic and social problems in 2003, the directors of Aptus believe that the Acquisition will permit the Aptus Group to diversify its business to decrease its exposure to business and economic risks.

The business of Target and its subsidiaries are in the trading of edible oils. Edible oils are an essential part of a consumer's everyday life. As at the date of this announcement, the directors of B & B do not aware of any competition which materially affected the business of Target and its subsidiaries. Since edible oil is a basic ingredient of some medical products (as the cream base of some medical products), the directors of Aptus consider that the relevant experience of Aptus in trading of the medical products will benefit the commercialisation of edible oil. The directors of Aptus consider that, therefore, the edible oil business is a horizontal extension of the business of the Aptus Group. In addition, given that Hsing Long has been in this business since 1996 and has demonstrated a growth trend in the trading volume since 1999, the directors of Aptus are of the view that such business will enhance the financial position of the Aptus Group and provide the Aptus Group with an opportunity to expand its business and to diversify its existing business risks.

In addition, the Subscription will provide cash to the Aptus Group to improve its liquidity and operating efficiency. The funds from the Subscription will be applied to improve the working capital of Aptus and to finance its business operation. The directors of Aptus currently do not intend to use the funds from the Subscription to repay outstanding loans of Aptus and will not change the use of proceeds of the business plan as stated in the Aptus's prospectus and financial report. The directors of Aptus are of the view that Subscription and Acquisition together will be beneficial to the Aptus Group and the Shareholders as a whole.

The Board considers that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable to Aptus. The Purchase Price was determined on the arm-length negotiation between Aptus and the Vendor by reference to Hsing Long's turnover and its financial performance having considered the growth potential in the trading of edible oils. The growth potential of trading of edible oils is justified on (i) increase in turnover from S\$6,745,763 for the year ended 31 December 2002 to S\$9,529,664 (annualised figures from the audited financial result

for the six-months ended 30 June 2003) for the year ended 31 December 2003 (equivalent to approximately HK\$30.7 million to HK\$43.5 million) for the year ended 2002 and 2003, representing a growth in turnover of approximately 41.7%; and (ii) the potential synergic effect on the Acquisition and the Existing Business of Aptus.

As disclosed in the above section, the turnover of Hsing Long has decreased from S\$8,652,490 to S\$6,745,763 for the period from 2001 to 2002. The drop in turnover for the period from 2001 to 2002 was due to the increase in price of edible oils and therefore the holding back in purchase from buyers. As a result, the profit margins and the profit of Hsing Long were squeezed. The decreasing trend of profit to loss was due to various contributing factors including (i) increase prices for edible oils; (ii) the adverse economic effect as a result of the terrorist attacks in the United States of America on 11 September 2001; and (iii) the adverse effect of Severe Acute Respiratory Syndrome and the general downturn in worldwide economies.

Despite the loss of S\$27,777 of Hsing Long for the six-months ended 30 June 2003, after discussion with the directors of B & B, the directors of Aptus are positive about the future return on the trading business of edible oil based on the potential synergic effect on the Acquisition and the Existing Business of Aptus. The directors of Aptus consider that with their cost control and experience in the commercialisation service, the trading of edible oil will provide an alternative source of income to the Aptus Group.

The Board also considers that the terms of the Subscription Agreement are on normal commercial terms and the Subscription Price is fair and reasonable to Aptus having considered that (i) a discount of approximately 82.5% to the closing price per Aptus Share of HK\$0.12 as quoted on GEM on the Last Dealing Date; (ii) the subscription price of HK\$0.021 represents a premium of approximately 20% over the net tangible asset value of HK\$0.0174 per Aptus Share as at 30 September, 2003 based on the latest audited financial result of Aptus; and (iii) HK\$15.5 million will be immediately available to Aptus Group as working capital which will improve the liquidity and the operating efficiency of the Aptus Group.

The views and recommendation of the independent board committee of Aptus in respect of the Subscription and the Whitewash Waiver will be set out in the circular to be issued by Aptus as required by the GEM Listing Rules and the Takeovers Code.

F. Reasons for the disposal of Target to Aptus and the Subscription

The directors of B & B believe that the disposal of the Target and the Subscription will enable it to acquire a business with synergy to the B & B Group at a reasonable price. The principal business of B & B is the distribution, production and trading of natural food products while the principal business of Aptus is the provision of product commercialisation services to international and domestic pharmaceutical and healthcare companies. Commercialisation services comprise direct marketing, product consulting and sales force management consulting services. The directors of B & B are of the view that Aptus can provide its commercialisation services and its sales expertise to B & B which will help to extend B & B's distribution network. In addition, the disposal of the Target will enable B & B to streamline its business and the Subscription will enable the B & B Group to diversify its business. In view of the synergistic effect of Transactions, the directors of B & B consider that the disposal of the Target and the Subscription price offered by B & B are fair and reasonable and are in the interest of its shareholders and B & B as a whole.

G. General offer implication on B & B

B & B has confirmed that neither itself nor parties acting in concert with it have in the six months ending on the Last Dealing Date purchased or sold any Aptus Shares. None of them holds any Aptus Shares or has any other interest in the Aptus Shares on the date of this announcement, other than pursuant to the Sale and Purchase Agreement and Subscription Agreement.

On completion of the Sale and Purchase Agreement and the Subscription Agreement, B & B and parties acting in concert with it will have acquired more than 30% of the issued share capital of Aptus. Under the Takeovers Code, upon completion of the Sale and Purchase Agreement and the Subscription Agreement, B & B would be obliged, by virtue of it having acquired 30% or more of the issued share capital of Aptus, to make a general offer under Rule 26 of the Takeovers Code to purchase all the Aptus Shares (other than the Acquisition Consideration Shares) and any Aptus Shares already owned, or agreed to be acquired by B & B and parties acting in concert with it. As stated above, B & B intends to apply for (and completion of the Subscription Agreement is conditional upon) the grant of the Whitewash Waiver (unless otherwise waived). Independent Shareholders' approval of the Whitewash Waiver must be obtained, as required by the Takeovers Code. Voting on the Whitewash Waiver will be conducted by poll.

H. Relevant requirements of the GEM Listing Rules

The Transactions constitute a connected transaction for Aptus and a discloseable transaction for B & B pursuant to the GEM Listing Rules.

The Stock Exchange has also indicated that based on the information provided by B & B and Aptus, the Transactions constitute a reverse takeover of Aptus under Rule 19.06(5) of the GEM Listing Rules in force immediately prior to 31 March, 2004, and a spin-off proposal of B & B to effect a separate listing of Target and its subsidiaries by injecting them into Aptus which should be subject to approval by the Stock Exchange. Aptus and B & B will appeal this decision and if the appeal is unsuccessful, a condition precedent to completion of the Transactions may not be fulfilled and the Transactions may or may not proceed.

As Completion is subject to the fulfilment of a number of conditions precedent, the Acquisition and/or the Subscription may or may not proceed. Investors should exercise caution when dealing in the Aptus Shares and B & B Shares.

A further announcement will be made by B & B and Aptus should there be any progress on the appeal or the development of the Transactions.

It is the intention of B & B to maintain the listing of Aptus on GEM after Completion.

B & B will take appropriate steps to ensure that as soon as possible following Completion, not less than 25% of the issued Aptus Shares will be held by the public. Upon Completion, should there be less than 25% of issued Aptus Shares in public hands, B & B will take appropriate steps to ensure that 25% of issued Aptus Shares are in public hands. Accordingly, B & B has undertaken to the Stock Exchange in accordance with Rule 11.23(1) of the GEM Listing Rules to take appropriate steps, including arranging for a sale of Aptus Shares by B & B after Completion to persons who are independent of the chief executive, any directors (and any person intended to be appointed as a director), management shareholders and substantial shareholders of Aptus and their respective associates; and/or such other steps as may be appropriate, so as to restore the minimum percentage of securities of Aptus held in public hands in accordance with the GEM Listing Rules.

If the Stock Exchange believes that (i) a false market exists or may exist in the Aptus Shares; or (ii) there are too few Aptus Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Aptus Shares. In this connection, it should be noted that upon the Completion, there may be insufficient public float for the Aptus Shares and therefore trading in the Aptus Shares may be suspended until a sufficient level of public float is attained.

I. General

An independent board committee of Aptus will be established to make recommendations to the Independent Shareholders in relation to the Whitewash Waiver and the Transactions.

Aptus has appointed Tai Fook Capital Limited as the independent financial adviser to advise the independent board committee in relation to the Whitewash Waiver and the Transactions.

A circular containing, inter alia, further particulars of the Transactions and the Whitewash Waiver as required by the GEM Listing Rules and the Takeovers Code, the recommendations of the independent board committee of Aptus in respect of the Whitewash Waiver and the Transactions, a letter of advice from Tai Fook Capital Limited to advise the independent board committee in respect of the Whitewash Waiver and the Transactions and a notice convening the EGM will be sent to the Shareholders as soon as practicable after publication of this announcement. Aptus will make an application to the GEM for the listing of and permission to deal in the Consideration Shares as soon as practicable after the date of this announcement.

A circular containing details of the Transactions will be despatched to shareholders of B & B as soon as practicable after publication of this announcement.

Dealings in the B & B Shares on the Stock Exchange were suspended at the request of B & B from 9:30 a.m. on 22 March, 2004 pending for the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the B & B Shares with effect from 9:30 a.m. on 26 April, 2004.

Dealings in the Aptus Shares on the Stock Exchange were suspended at the request of Aptus from 9:30 a.m. on 22 March 2004 pending for the release of this announcement and clarification of certain financial information of results announcement of Aptus. The Aptus Shares will remain suspended until the further announcement for clarification on certain financial information of results announcement of Aptus and the development of the Transactions is released.

J. Definitions

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite that term below:

“Acquisition”	the proposed acquisition of the 75% of the Target by Aptus pursuant to the Sale and Purchase Agreement;
“Acquisition Consideration Shares”	190,476,190 new Aptus Shares allotted and issued to the Vendor, credited as fully paid, as consideration for the Acquisition;
“Aptus”	Aptus Holdings Limited, a company incorporated in Cayman Islands with limited liability, whose issued Aptus Shares are listed on GEM;

“Aptus Group”	Aptus and its subsidiaries;
“Aptus Shares”	ordinary shares of HK\$0.01 each in the ordinary share capital of Aptus;
“associates”	has the meaning ascribed to it in the GEM Listing Rules;
“B & B”	B & B Natural Products Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on GEM;
“B & B Group”	B & B and its subsidiaries;
“B & B Shares”	Ordinary shares of HK\$0.01 each in the ordinary share capital of B & B
“Board”	the board of directors of Aptus from time to time;
“Completion”	completion of the sale and purchase of the 75% of the Target and the Subscription in accordance with the terms and conditions of the Sale and Purchase Agreement and Subscription Agreement respectively;
“Consideration Shares”	the aggregate of 928,571,428 new Aptus Shares to be allotted and issued by Aptus as consideration for the Acquisition and under the Subscription;
“EGM”	the extraordinary general meeting of Aptus to be convened for the purpose of approving, among other matters, the Whitewash Waiver and other transactions contemplated under the Subscription Agreement;
“Employee Options”	the options to subscribe for an aggregate of 55,950,000 Aptus Shares granted pursuant to the employee share option schemes of Aptus and outstanding as at the date of this announcement;
“Executive”	the executive director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director;
“Existing Business”	The existing businesses of Aptus Group includes trading of pharmaceutical products and commercialisation services which targets at the international and PRC pharmaceutical and healthcare companies;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hsing Long”	Hsing Long Trading Co., Pte Ltd, a company incorporated in Singapore and a non-wholly owned subsidiary of B & B Natural Products (BVI) Limited (an indirect non-wholly owned subsidiary of B & B), held as to approximately 75% by B & B;
“Independent Shareholders”	Shareholders who are not interested or involved in the Acquisition, Subscription and Whitewash Waiver, being the shareholders other than Precise Result Profits Limited, B & B, their associate and their respective concert parties if and to the extent they hold shares in Aptus
“Independent Third Parties”	Pentagon Agents Ltd and Wong Kim Ket, each of them holds 12.5% of Top Entrepreneur Profits Limited and Hsing Long, respectively. Pentagon Agents Ltd is a company incorporated in British Virgin Islands with limited liability and is 50% held by Hyasinta Atmaja and 50% held by Lim King Hui. All of them are independent third parties not connected with the directors, chief executive or substantial shareholders or management shareholders of Aptus or any of its subsidiaries or their respective associates
“Issue Price”	HK\$0.021 per Acquisition Consideration Share;
“Last Dealing Date”	19 March, 2004, being the last full trading day for the Aptus Shares prior to the suspension of dealings of Aptus Shares and the B & B Shares on 22 March, 2004;
“PRC”	the People’s Republic of China and for the purpose of the Agreement excludes Hong Kong, Taiwan and Macau Special Administrative Region of the PRC;
“parties”	the parties to the Sale and Purchase Agreement or, as appropriate, the Subscription Agreement and a “party” means any one of them;
“Purchase Price”	HK\$4,000,000;
“S\$”	Singapore dollars, the lawful currency of Singapore;
“Sale and Purchase Agreement”	the agreement dated 23 March, 2004 entered into between Aptus, the Vendor and the Warrantors in relation to, inter alia, the Acquisition;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Shareholder(s)”	holder(s) of the Aptus Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	subscription by the Vendor of the Subscription Shares pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 23 March, 2004 entered into between the Vendor and Aptus in relation to the subscription of the Subscription Shares at the Subscription Price;

“Subscription Price”	HK\$0.021 per Aptus Shares;
“Subscription Shares”	738,095,238 new Aptus Share;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Target “	Top Entrepreneur Profits Limited, a non-wholly owned indirect subsidiary of B & B, legally and beneficially owned by the Vendor as at the date of the Sale and Purchase Agreement and at Completion;
“Transactions”	collectively the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement;
“Vendor”	Precise Result Profits Limited, a company incorporated in British Virgin Islands and a wholly owned indirect subsidiary of B & B;
“Warrantors”	collectively Mr. Ma Wai Hung, Vincent and Mr. Wong Kok Sun, a non-executive director and executive director of Aptus respectively; and
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of B & B and parties acting in concert with it to make a mandatory general offer for all the Aptus Shares (other than the Consideration Shares) as a result of the Subscription.

By order of the board of
B & B Natural Products Limited
Chan Ting
Director

By order of the board of
Aptus Holdings Limited
Wong Kok Sun
Director

23 April, 2004

The directors of Aptus jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the B & B Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that in relation to the B & B Group) the omission of which would make any statement in this announcement misleading.

The directors of B & B jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Aptus Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that in relation to the Aptus Group) the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the board of directors of Aptus comprises three executive directors, being Mr. Chen Vee Li, Felix, Mr. Wong Kok Sun, Mr. Lee Chun Wah, three non-executive directors, being Mr. Ma Wai Hung, Vincent, Mr. Chen SiTe, Frank and Dr. Wong Kwok Yiu, Chris and two independent non-executive directors, being Mr. Ma Ching Nam and Dr. Yau Yat Yin.

As at the date of this announcement, the board of directors of B & B comprises three executive directors, being Madam Cheung Kwai Lan, Mr. Chan Tung Mei, Mr. Chan Ting, one non-executive director, Mr. Kyle Arnold Shaw Junior, and two independent non-executive directors, Professor Peter Chin Wan Fung and Mr. Du Ying Min.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting thereon.

** For identification purposes only*