

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, 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 announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of B & B Group Holdings Limited .

B&B

B & B GROUP HOLDINGS LIMITED

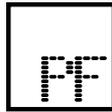
(中國蜂業集團有限公司 *)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8156)

**PLACING OF EXISTING SHARES
AND SUBSCRIPTION OF NEW SHARES**

Placing Agent



**太平基業證券有限公司
PACIFIC FOUNDATION SECURITIES LTD**

The Placing and Subscription Agreement was entered into on 12th January, 2006, pursuant to which the Placing Agent has placed an aggregate of 68,000,000 Placing Shares which the Vendor held, to independent third parties who are independent of and not connected with the directors, chief executive, management shareholders or substantial shareholders of the Company or its subsidiaries, or any of their respective associates at HK\$2.15 per Placing Share.

Under the Placing and Subscription Agreement, the Vendor has conditionally agreed to subscribe for the Subscription Shares (the number of which is equivalent to the Placing Shares) at HK\$2.15 per Subscription Share. The Subscription is subject to various conditions set out below under the heading “Conditions of the Subscription”.

* For identification purpose only

Both the price per Placing Share and the price per Subscription Share are identical, and represent (i) a premium of approximately 9.69 per cent. to the closing price of HK\$1.96 per Share as quoted on the Stock Exchange at 4:00 p.m. on 11th January, 2006 (being the last full trading day before the date of this announcement) and (ii) a premium of approximately 36.94 per cent. to the average closing price of approximately HK\$1.57 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 11th January, 2006, being the last full trading day prior to the date of this announcement.

The Placing Shares represent approximately 14.08 per cent. of the existing issued share capital of the Company and approximately 12.34 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The Placing will reduce the aggregate shareholding of the Vendor and parties acting in concert with it from approximately 50.21 per cent. to approximately 36.13 per cent. of the existing issued share capital of the Company.

The Subscription will then increase the aggregate shareholding of the Vendor and parties acting in concert with them to approximately 44.01 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 31st October, 2005.

The net proceeds from the Subscription will amount to approximately HK\$140,000,000. The Company intends to use the proceeds for further expansion of the business of Shenzhen Bozone IT Co. Limited (being the research and development and application of information technology in the lottery field) as announced by the Company on 1st December, 2005 and for general working capital of the Group.

The Board has noted today's increase in trading price of the Shares and wish to state that, save for the entering into of the Placing and Subscription Agreement, the Board is not aware of any reasons for such fluctuation.

Trading in the Shares was suspended at 10:51 a.m. on 12th January, 2006 at the request of the Company pending this announcement and application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 13th January, 2006.

The Placing and Subscription Agreement dated 12th January, 2006 was entered into between the Company, the Vendor and the Placing Agent.

1. THE PLACING

Vendor:

Best Frontier Investments Limited, a company who immediately prior to the signing of the Placing and Subscription Agreement, owned 241,130,000 Shares, representing approximately 49.92 per cent. of the existing issued share capital of the Company.

Number of Placing Shares:

The Placing Agent has procured placees for 68,000,000 Shares owned by the Vendor, representing approximately 14.08 per cent. of the existing issued share capital of 483,000,000 Shares as at the date of this announcement or approximately 12.34 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

Placees:

Seven independent institutional investors who are independent of and not connected nor acting in concert with the directors, chief executive, management shareholder or substantial shareholders of the Company or its subsidiaries, or any of their respective associates. The names of the placees are Accelera Capital Limited, DKR Soundshore Oasis Holding Fund Limited, Gain Asset Management Limited, Growth Enterprise Fund Co., Ltd., Invesco Hong Kong Limited, PMA Investment Advisors Limited and Shenyin Wanguo Asset Management (Asia) Limited.

Placing price:

HK\$2.15 per Placing Share.

This price was agreed after arm's length negotiations. This price represents (i) a premium of approximately 9.69 per cent. to the closing price of HK\$1.96 per Share at 4:00 p.m. on 11th January, 2006, being the last full trading day immediately prior to this announcement; and (ii) a premium of approximately 36.94 per cent. to the average closing price of approximately HK\$1.57 per Share as quoted on the Stock Exchange from 28th December, 2005 to 11th January, 2006, both dates inclusive, being the last ten trading days immediately prior to the date of this announcement.

Placing Agent:

Pacific Foundation Securities Limited.

Independence of placees and placing agent:

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, the placees and their ultimate beneficial owners and the Placing Agent are not connected persons of the Group (within the meaning under the GEM Listing Rules), and they are, respectively, independent third parties not connected with the directors, chief executives, substantial shareholder or management shareholders of the Company, any of its subsidiaries and their respective associates.

To the best knowledge of the Directors, none of the placees will become substantial Shareholders immediately following the Placing.

The Placing Agent will charge a placing commission of 4% of the aggregate Placing Price multiplied by the number of Placing Shares placed. Such commission was arrived after negotiations on an arm's length basis.

Completion of the Placing:

The Placing is unconditional and is expected to be completed on or about 13th January, 2006 or such other date as the Vendor and the Placing Agent may agree.

Rights of the Placing Shares

The Placing Shares will be sold by the Vendor free of liens, charges, encumbrances and any third party rights and together with all rights attaching thereto at the date of completion of the Placing and Subscription Agreement (which will be the business day immediately after the date of Placing and Subscription Agreement, or such other time as the Vendor and the Placing Agent shall agree).

2. THE SUBSCRIPTION

Subscriber:

the Vendor

Number of Subscription Shares:

The Company will allot and issue and the Vendor will subscribe for such number of new Shares as is equivalent to the aggregate number of Placing Shares sold to the placees under the Placing. The Subscription Shares represents approximately 14.08 per cent. of the existing issued share capital of the Company as at the date of this announcement or approximately 12.34 per cent. of the issued share capital as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

Subscription price:

HK\$2.15 per Subscription Share, which is the equivalent of the price per Placing Share.

Mandate to allot and issue new Shares:

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution of its Shareholders passed at the annual general meeting of the Company held on 31st October, 2005. The Company is authorised to allot and issue 96,426,000 Shares under such mandate and the Company has not exercised the power to allot and issue any new Shares pursuant to such mandate prior to the Placing and the Subscription.

Ranking:

The Subscription Shares will rank equally in all respects among themselves and with all other Shares in issue as at the date of such allotment and issue pursuant to the Placing and Subscription Agreement.

Conditions of the Subscription:

The Subscription is conditional upon, among other conditions:

- (i) completion of the Placing pursuant to the Placing and Subscription Agreement;
- (ii) the Listing Committee of the Stock Exchange agreeing to grant a listing of, and permission to deal in, the Subscription Shares; and
- (iii) (if so required) the Executive granting a waiver to the Vendor to the effect that neither of the Vendor nor any party acting in concert with them will be obliged to make a general offer for the Shares under the Code on Takeovers and Mergers as a result of the Placing and the Subscription pursuant to the Placing and Subscription Agreement.

None of the above conditions can be waived by the parties to the Placing and Subscription Agreement.

The aggregate shareholdings of the Vendor and its associates (being parties deemed to be acting in concert under the Code on Takeovers and Mergers) will decrease from approximately 50.21 per cent. to approximately 36.13 per cent. immediately after the Placing and will increase back to approximately 44.01 per cent. immediately after the Subscription.

Completion of the Subscription:

The completion of the Subscription will take place on the business day next following the day on which the conditions referred to above are fulfilled (which is expected to be on or before 26th January, 2006) and in any event within 14 days from the date of the Placing and Subscription Agreement.

If the conditions are not fulfilled within the time specified above (or such later date as may be agreed by the Placing Agent, the Vendor and the Company), the Subscription will lapse. If the date of completion of the Subscription is to be extended beyond 26th January, 2006, the Subscription will constitute a connected transaction under the GEM Listing Rules which will require the approval of the independent Shareholders and the Company will take steps to ensure compliance with the GEM Listing Rules. Further announcement will be made as and when appropriate.

Changes to the shareholding as a result of the Placing and the Subscription:

68,000,000 Placing Shares will be placed and the Subscription Shares will be subscribed and the shareholding of the Vendor and its associates (being parties deemed to be acting in concert under the Code on Takeovers and Mergers) in the Company immediately before the Placing, immediately after the Placing but before the Subscription, and immediately after the Placing and the Subscription are as follows:

	Existing Shareholding		After the Placing but before the Subscription		After the Placing and the Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Best Frontier Investments Limited	242,510,000	50.21	174,510,000	36.13	242,510,000	44.01

Note: The above shareholding and percentages includes Shares held by the Vendor's concert parties.

Reasons for the Placing and Subscription and use of proceeds:

In view of the current market condition, the Directors consider that the Placing and Subscription represent an ideal opportunity for the Company to raise additional capital for its future business developments, to enhance its capital base, and to increase its shareholders' base. The Directors (including the independent non-executive Directors) consider that the terms of the Placing and Subscription Agreement (including the commission payable to the Placing Agent) were fair and reasonable and they were in the best interests of the Company, as far as the Shareholders are concerned.

The net proceeds, after deducting related placing commission, professional fees and all related expenses which will be borne by the Company, under the Subscription of 68,000,000 new Shares are estimated to be approximately HK\$140,000,000. The net price to the Company of each Subscription Share, which is calculated by dividing the aggregate net proceeds by the total number of the Subscription Shares, is approximately HK\$2.06. The Company intends to use the proceeds (as to approximately HK\$90,000,000) for further expansion of the business of Shenzhen Bozone IT Co. Limited (being the research and development and application of information technology in the lottery field) as announced by the Company on 1st December, 2005 by acquiring equipment and machinery and the balance for general working capital of the Group.

General information

The Group is principally engaged in the production and/or distribution of bee related products, other natural products and trading of edible oil.

The Group has not conducted any equity fund raising activities in the past 12 months from the date of this announcement.

The Board has noted today's increase in trading price of the Shares and wish to state that, save for the entering into of the Placing and Subscription Agreement, the Board is not aware of any reasons for such fluctuation.

The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapter 19 and 20 of the GEM Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Application for listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Suspension and resumption of trading

Trading in the Shares was suspended at 10:51 a.m. on 12th January, 2006 at the request of the Company pending this announcement and application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 13th January, 2006.

Definitions

The following defined terms are used in this announcement:

“associates”	having the meaning ascribed thereto in the GEM Listing Rules.
“Board”	the board of Directors.
“Company”	B & B Group Holdings Limited, the shares of which are listed on the GEM of the Stock Exchange.
“Director(s)”	the director(s) of the Company.

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director.
“Group”	the Company and its subsidiaries.
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange.
“Listing Committee”	the listing committee of the Stock Exchange.
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing and Subscription Agreement.
“Placing Agent”	Pacific Foundation Securities Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Hong Kong Laws).
“Placing Shares”	68,000,000 existing Shares.
“Placing and Subscription Agreement”	the placing and subscription agreement dated 12th January, 2006 between the Company, the Vendor and the Placing Agent.
“Share(s)”	ordinary share(s) of HK\$0.01 in the capital of the Company.
“Shareholder(s)”	holder(s) of Shares.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Subscription”	the subscription of the Subscription Shares to be subscribed for by the Subscriber pursuant to the Placing and Subscription Agreement.
“Subscription Shares”	new Shares to be subscribed for by the Subscriber in such number as shall be equivalent to the number of the Placing Shares placed by the Placing Agent under the Placing and Subscription Agreement.

“Vendor” or “Subscriber”

Best Frontier Investments Limited, a company incorporated in the British Virgin Islands.

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

Hong Kong, 12th January, 2006

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 Mr. Tian He Nian, Mr. Zhao Zhi Ming and Mr. To Yan Ming, Edmond.

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 for at least 7 days from the date of its posting.