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## **THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION**

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**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, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer 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

## **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 EXISTING SHARE OPTION SCHEME AND CHANGE OF NAME**

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A notice convening the extraordinary general meeting of B & B Group Holdings Limited to be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 12th April, 2006 at 10:00 a.m. is set out on pages 20 to 24 of this circular. Whether or not you are able to attend the extraordinary 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 extraordinary 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 extraordinary 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 seven days from the date of its posting.*

21st March, 2006

\* For identification purpose only

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## CHARACTERISTICS OF GEM

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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 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 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 issuers.

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## DEFINITIONS

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*In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:*

“Articles”	Articles of Association of the Company;
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”/“B & B”	B & B Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the GEM board of the Stock Exchange;
“connected person(s)”	shall have the meaning ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“EGM”	means the extraordinary general meeting of the Company to be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 12th April, 2006 at 10:00 a.m., the notice of which is set out on pages 20 to 24 of this circular;
“Eligible Participants”	<ul style="list-style-type: none"><li>(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</li><li>(ii) any supplier of goods or services to any member of the Group or any Invested Entity; or</li><li>(iii) any customer of the Group or any Invested Entity; or</li><li>(iv) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; or</li><li>(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;</li></ul>

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## DEFINITIONS

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“Existing Share Option Scheme”	means the existing share option scheme of the Company adopted pursuant to the ordinary resolution passed by the Shareholders on 18th October, 2002;
“GEM Listing Rules”	Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
“Group”	the Company together with its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“HK\$”	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”	17th March, 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Notice”	means the notice convening the EGM which is set out on pages 20 to 24 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. 2;
“Share(s)”	share(s) in the registered capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

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LETTER FROM THE BOARD

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**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)**

*Executive Directors:*

Madam Cheung Kwai Lan

Mr. Chan Tung Mei

Mr. Lau Hin Kun

Mr. Chan Ting

*Non-executive Director:*

Mr. Shaw Kyle Arnold Junior

*Independent non-executive Directors:*

Mr. Tian He Nian

Mr. Zhao Zhi Ming

Mr. To Yan Ming, Edmond

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

353 Lockhart Road

Hong Kong

21st March, 2006

*To the shareholders*

Dear Sir/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 EXISTING SHARE OPTION SCHEME AND  
CHANGE OF NAME**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the EGM to be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 12th April, 2006 at 10:00 a.m.. These include: (i) the ordinary resolutions to grant

\* For identification purpose only

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## LETTER FROM THE BOARD

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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 and (iii) the special resolution to change the English and Chinese name.

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the resolutions proposed at the EGM.

A notice convening the EGM setting out the details of the resolutions to be proposed at the EGM is set out on pages 20 to 24 of this circular.

### GENERAL MANDATES

At the annual general meeting (the “2005 AGM”) of the Company held on 31st October, 2005, 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 2005 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 2005 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.

Most of the above general mandates were used on 26th January, 2006. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the EGM 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 EGM, 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. 1 as set out in the Notice during the period from the date of the passing of Resolution No. 1 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

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## LETTER FROM THE BOARD

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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. 2 as set out in the Notice during the period from the date of the passing of Resolution No. 2 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. 3 in the Notice.

Resolutions No. 1 to 3 are set out in the Notice on pages 20 to 23 of this circular.

### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out in Appendix I 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 EGM.

### 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 18th October, 2002 (the “Adoption Date”).

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, all Pre-IPO Options had been exercised or lapsed as detailed below:

<b>Number of share options under the Pre-IPO Scheme</b>		
<b>granted</b>	<b>exercised</b>	<b>lapsed</b>
40,000,000	37,000,000	3,000,000



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## LETTER FROM THE BOARD

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From the Adoption date and up to the Latest Practicable Date, the number of share options under the Existing Share Option Scheme granted, exercised, lapsed and outstanding are as follows:

<b>Number of share options under Existing Share Option Scheme</b>			
<b>granted</b>	<b>exercised</b>	<b>lapsed</b>	<b>outstanding</b>
40,000,000	200,000	–	38,000,000

Included in the above 40,000,000 shares options, 1,200,000 share options were granted to Mr. Shaw Kyle Arnold Junior, a non-executive director of the Company and 1,600,000 share options were granted to Mr. Lau Hin Kun, an executive director of the Company.

As at the Latest Practicable Date, an aggregate of 39,800,000 options, representing 6.79% of the issued share capital of the Company, remain outstanding under the Existing Share Option Scheme.

Since the adoption of the Existing Share Option Scheme on 18th October, 2002, approval was obtained from shareholders in AGM held on 31st October, 2005 for refreshment of the 10 per cent limit on the grant of options under 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. At the 2005 AGM, held on 31st October, 2005 a resolution was passed to refresh the then Existing Share Option Scheme limit to up to 10% of the ordinary shares in issue as at that date (the “General Scheme Limit”).
- (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

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## LETTER FROM THE BOARD

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- (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 again “refreshed” on the basis of 585,750,000 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the EGM, the General Scheme Limit will be re-set to 58,575,000 Shares (being 10% of the issued share capital of the Company as at the date of the EGM 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 58,575,000 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 EGM as an opportunity to approve the refreshment of the General Scheme Limit.

In this regard, the Company will seek approval from the Shareholders in the EGM 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.

Resolution no. 4 as set out in the Notice will be proposed at the EGM to approve the refreshment of the General Scheme Limit on the grant of options under the Existing Share Option Scheme.

### **PROPOSED CHANGE OF COMPANY NAME**

On 17th March, 2006, the Board announced that it proposed to change the name of the Company from “B & B Group Holdings Limited” to “International Lottery Services Group Holdings Limited” and upon the name change becoming effective, the new Chinese name “衆彩科技股份有限公司” will be adopted to replace “中國蜂業集團有限公司” for identification purposes subject to the conditions set out below being fulfilled.

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## LETTER FROM THE BOARD

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### **Reason and conditions for the change of company name**

The Board proposes to change the name of the Company from “B & B Group Holdings Limited” to “International Lottery Services Group Holdings Limited” and upon the name change becoming effective, the new Chinese name “衆彩科技股份有限公司” will be adopted to replace “中國蜂業集團有限公司” for identification purposes.

The Company believes that the change is to reflect the expansion of the Group’s business into the research and development and application of information technology in the lottery field which is proposed to comprise a substantial portion of the Company’s business in the future. As to the Company’s existing business of production and/or distribution of bee related products, other natural products and trading of edible oil, this is expected to continue in the foreseeable future.

The proposed change of the Company’s name will be subject to the following the passing of a special resolution by the shareholders at an EGM to approve the change of the Company’s name.

The new name of the Company will take effect from the date of the approval of the special resolution at the EGM. The Company will then carry out all necessary filing procedures with the Registrar of Companies in Hong Kong and in the Cayman Islands.

### **Effects on change of company name**

The proposed change of company name will not affect any of the rights of any Shareholders. All existing share certificates in issue bearing the existing name of the Company will, after the change of company name has become effective, continue to be evidence of title to the shares and will be valid for trading, settlement and registration purposes. There will not be any arrangement for free exchange of the existing share certificates. However, Shareholders may upon payment of a fee of HK\$2.5 for each certificate to the Company’s branch registrar, Standard Registrar Limited, arrange for new share certificates with the new Company name to be issued to replace existing share certificates. Once the change of the Company’s name has become effective, new share certificates for new Shares will be issued in the new name of the Company.

### **Outcome of the EGM and Trading Arrangement**

The Company will make further announcements on the outcome of the EGM and the arrangement and timetable relating to the change of company name and the trading and dealings in the Shares on the Stock Exchange under the new name of the Company.

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## LETTER FROM THE BOARD

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### EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at the 30th Floor, Sunshine Plaza, No. 353 Lockhart Road, Hong Kong on 12th April, 2006 at 10:00 a.m. is set out on pages 20 to 24 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, 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 EGM 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 EGM or any adjourned meeting (as the case may be) should you so wish.

A resolution put to the vote at the EGM 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 EGM; 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 EGM; 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 EGM 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.

### 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 and the special resolution to change of name 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 EGM.

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## LETTER FROM THE BOARD

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### 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*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to B & B. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) 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.

## 2. DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of B & B in the shares, underlying shares and debentures of B & B or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to B & B and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to B & B and the Stock Exchange, were as follows:

### (1) Long positions in the shares of B & B

Name of Directors	Company/ Name of associated corporation	Number of ordinary shares held				Total interest	Approximate percentage of shareholding
		Corporate Interest	Personal interest	Family interest			
Cheung Kwai Lan	Company	241,130,000 (Note 1)	1,380,000	–	242,510,000	41.4%	
Chan Tung Mei	Company	241,130,000 (Note 2)	–	1,380,000 (Note 3)	242,510,000	41.4%	

Name of Director	Company/ Name of associated corporation	Number of ordinary shares held				Total interest	Approximate percentage of shareholding
		Corporate Interest	Personal interest	Family interest			
Shaw Kyle Arnold Junior	Company	46,600,000 (Note 4)	–	–	46,600,000	7.96%	
Lau Hin Kun	Company	–	450,000	–	450,000	0.08%	
Cheung Kwai Lan	Best Frontier Investments Limited	–	909	1 (Note 5)	910	–	
Chan Tung Mei	Best Frontier Investments Limited	–	1	909 (Note 6)	910	–	

## Notes:

- The 241,130,000 shares are owned by Best Frontier Investments Limited (“Best Frontier”) 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 the shares under the SFO.
- The 241,130,000 shares are owned by Best Frontier 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 the shares under the SFO.
- The 1,380,000 shares are owned by Madam Cheung Kwai Lan who is the spouse of Mr. Chan Tung Mei. Accordingly, Mr. Chan Tung Mei is deemed to be interested in the shares under the SFO.
- These interests represent Mr. Shaw Kyle Arnold Junior’s interests in:
  - 1,030,000 shares beneficially owned by Shaw, Kwei & Partners (Asia) Ltd. of which Mr. Shaw Kyle Arnold Junior is deemed under the SFO to have an interest by reason of his being the indirect controlling shareholder of Shaw, Kwei & Partners (Asia) Ltd. through his controlled corporation Haven Associates Limited.

- (b) 24,620,000 shares beneficially owned by China Value Investment Limited which is wholly-owned by Asian Value Investment Fund L. P. (AVIF, L.P.), a limited liability partnership, whose general partner Shaw, Kwei & Partners (Asia) Ltd. (having a 1% interest in AVIF, L. P.) and its indirect controlling shareholder Mr. Shaw Kyle Arnold Junior are both deemed under the SFO to have interest in the same 24,620,000 shares.
- (c) 20,950,000 shares beneficially owned by Javelin Capital Holdings Limited which is wholly-owned by Asian Value Investment Fund II, L. P.), a limited liability partnership, whose general partner SKP Capital Limited (having a 1.19% interest in AVIF II, L. P.) and its indirect controlling shareholder Mr. Shaw Kyle Arnold Junior are both deemed under the SFO to have interest in the same 20,950,000 shares.
5. The 1 share of US\$1 in Best Frontier is owned by Mr. Chan Tung Mei who is the spouse of Madam Cheung Kwai Lan. Accordingly, Madam Cheung Kwai Lan is deemed to be interested in the shares under the SFO.
6. The 909 shares of US\$1 each in Best Frontier are owned by Madam Cheung Kwai Lan who is the spouse of Mr. Chan Tung Mei. Accordingly, Mr. Chan Tung Mei is deemed to be interested in the shares under the SFO.

## (2) Share options of B & B

B & B has adopted a share option scheme on 18th October, 2002 (the “Share Option Scheme”), under which the Board may, at its discretion, invite any persons who satisfy the criteria of the Share Option Scheme, to take up options to subscribe for Shares.

The Share Option Scheme will remain valid for a period of 10 years commencing from 18th October, 2002.

Name of Director	Date of Grant	Outstanding at Latest Practicable Date
Lau Hin Kun	18/8/2004	1,600,000
Shaw Kyle Arnold Junior	19/10/2004	1,200,000
Total:		<u>2,800,000</u>



**(3) Long positions in the shares of an associated corporation – Aptus Holdings Limited**

Name of Director	Number of ordinary shares held			Total interest	Approximate percentage of shareholding
	Corporate Interest	Personal interest	Family interest		
Cheung Kwai Lan (Note)	918,571,428	–	–	918,571,428	55.71%

*Note:* Madam Cheung Kwai Lan and Mr. Chan Tung Mei have equity interests of 99.89% and 0.11% respectively of the issued share capital of Best Frontier. Madam Cheung Kwai Lan is the spouse of Mr. Chan Tung Mei. Accordingly, Madam Cheung Kwai Lan is deemed to be 100% interested in the shares of Best Frontier under the SFO. As at the Latest Practicable Date, Best Frontier is interested in approximately 41.17% of the issued share capital of B & B which in turn holds 100% shareholding of China Success Enterprises Limited. China Success Enterprises Limited then holds 100% shareholding of Precise Result Profits Limited which directly holds 918,571,428 shares of Aptus Holdings Limited. Besides, Madam Cheung Kwai Lan holds 1,380,000 shares of B & B as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of B & B had any interests or short positions in any shares, underlying shares or debentures of B & B or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to B & B and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to B & B and the Stock Exchange.

**3. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF B & B**

As at the Latest Practicable Date, according to the register kept by B & B pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of B & B, the following persons (other than a Director or chief executive of B & B) had, or was deemed or taken to have, an interest or short position in the B & B Shares or underlying B & B Shares which would

fall to be disclosed to B & B under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, carrying rights to vote in all circumstances at general meeting of any member of the Group:

Name of Shareholders	Capacity	Number of ordinary shares held		Approximate percentage of shareholding
		Long position	Short position	
Best Frontier Investments Limited	Directly Beneficial owned	241,130,000 (Note 1)	–	41.17%
Oppenheimer Funds, Inc.	Investment manager	110,000,000	–	18.78%
Haven Associated Limited	Controlled corporation	46,600,000 (Note 2)	–	7.96%

*Note:*

1. The 241,130,000 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.
2. The 46,600,000 Shares represent:
  - (a) 1,030,000 shares beneficially owned by Shaw, Kwei & Partners (Asia) Ltd..
  - (b) 24,620,000 shares beneficially owned by China Value Investment Limited which is wholly-owned by Asian Value Investment Fund L. P. (AVIF, L.P.), a limited liability partnership, whose general partner Shaw, Kwei & Partners (Asia) Ltd. (having a 1% interest in AVIF, L. P.) is both deemed under the SFO to have interest in the same 24,620,000 shares.
  - (c) 20,950,000 shares beneficially owned by Javelin Capital Holdings Limited which is wholly-owned by Asian Value Investment Fund II, L. P. (AVIF II, L.P.), a limited liability partnership, whose general partner SKP Capital Limited (having a 1.19% interest in AVIF II, L. P.) is deemed under the SFO to have interest in the same 20,950,000 shares.
  - (d) Haven Associates Limited is the controlling shareholder of Shaw, Kwei & Partners (Asia) Ltd. and SKP Capital Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors or chief executive of B & B were not aware of any person (other than a Director or chief executive of B & B) who had an interest or short position in the B & B Shares or underlying B & B Shares which would fall to be disclosed to B & B under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interest in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

#### **4. 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 585,750,000 Shares.

Subject to the passing of the Resolution No. 2 and on the basis that no further Shares are issued or repurchased by the Company prior to the EGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 58,575,000 Shares during the period from the date of the passing of the Resolution No. 2 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.

#### **5. 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.

#### **6. 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.

## 7. 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 30th 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.

## 8. 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:

<b>Month</b>	<b>Highest Price</b> <i>(HK\$)</i>	<b>Lowest Price</b> <i>(HK\$)</i>
<b>2005</b>		
April	0.69	0.6
May	0.8	0.57
June	0.77	0.68
July	0.75	0.69
August	1.88	0.98
September	NA	NA
October	NA	NA
November	1.3	0.99
December	1.39	1.15
<b>2006</b>		
January	2.8	1.39
February	2.875	2.15
March (up to the Latest Practicable Date)	2.9	2.4

The Company's shares were suspended to trade during the period from 15th August, 2005 to 23rd November, 2005.

## 9. 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 EGM.

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 EGM.

## 10. 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	Approximate percentage	If Repurchase Mandate exercised in full
Best Frontier Investments Limited (Note 1)	241,130,000	41.17%	51.46%
Chan Tung Mei (Note 1)	242,510,000	41.4%	51.75%
Cheung Kwai Lan (Note 2)	242,510,000	41.4%	51.75%
Oppenheimer Funds, Inc.	110,000,000	18.78%	23.47%
Haven Associates Limited (Note 3)	46,600,000	7.96%	9.94%

*Notes:*

1. The 241,130,000 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 241,130,000 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 46,600,000 Shares represent:
  - (a) 1,030,000 shares beneficially owned by Shaw, Kwei & Partners (Asia) Ltd..
  - (b) 24,620,000 shares beneficially owned by China Value Investment Limited which is wholly-owned by Asian Value Investment Fund L. P. (AVIF, L.P.), a limited liability partnership, whose general partner Shaw, Kwei & Partners (Asia) Ltd. (having a 1% interest in AVIF, L. P.) is deemed under the SFO to have interest in the same 24,620,000 shares.
  - (c) 20,950,000 shares beneficially owned by Javelin Capital Holdings Limited which is wholly-owned by Asian Value Investment Fund II, L. P. (AVIF II, L. P.), a limited liability partnership, whose general partner SKP Capital Limited (having a 1.19% interest in AVIF II, L. P.) is deemed under the SFO to have interest in the same 20,950,000 shares.
  - (d) Haven Associates Limited is the controlling shareholder of Shaw, Kwei & Partners (Asia) Ltd. and SKP Capital 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 EGM, 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 have implications under the Code. The Directors currently have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of Best Frontier Investments Limited to make a mandatory offer under the Takeovers Code.

**11. 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.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# 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 extraordinary general meeting (the “Extraordinary 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 12th April, 2006 at 10:00 a.m. for the following purposes:

1. 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;
- (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

\* For identification purpose only

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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 EXTRAORDINARY GENERAL MEETING

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2. to consider and, if thought fit, pass with or 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.”

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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

“**THAT** conditional upon resolutions nos. 1 and 2 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. 1 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. 2 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.”

4. 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 18th 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.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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5. to approve the change of name of the Company from “B & B Group Holdings Limited” to “International Lottery Services Group Holdings Limited” and the adoption of the new Chinese name “ 樂彩科技股份有限公司 ” to replace “ 中國蜂業集團有限公司 ” for identification purposes with effect from the date of entry of the new name on the register maintained by the Registrar of Companies in Cayman and that the board of directors of the Company be authorised to take all necessary actions to implement such change of name.

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

Hong Kong, 21st March, 2006

*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 Extraordinary 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 Extraordinary 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. Lau Hin Kun, Mr. Chan Ting, Mr. Shaw Kyle Arnold Junior, Mr. Tian He Nian, Mr. Zhao Zhi Ming and Mr. To Yan Ming, Edmond.