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北京金隅股份有限公司

BBMG Corporation*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2009)

**MAJOR TRANSACTION – SHARE ISSUANCE AND ASSET
PURCHASE AGREEMENT
PROPOSED SPIN-OFF**

The Board is pleased to announce that on 29 June 2016, the Company entered into the Share Issuance and Asset Purchase Agreement with Jidong Cement in relation to the Asset Restructuring.

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 25% but less than 100%, the Asset Restructuring will constitute a major transaction of the Company subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In addition, the transfer of the Target Interests by the Company to Jidong Cement in exchange for the issuance of Consideration Shares pursuant to the Share Issuance and Asset Purchase Agreement also constitutes a spin-off pursuant to the applicable requirements under Practice Note 15. The Proposed Spin-off is therefore also subject to the approval of the Shareholders under paragraph 3(e)(1) of Practice Note 15. An independent board committee comprising all the independent non-executive Directors has been formed to advise the Shareholders and Gram Capital has been appointed as the Independent Financial Adviser to advise the independent board committee and the Shareholders in respect of the Proposed Spin-off.

The EGM will be convened for the purpose of, amongst other things, considering and approving the transactions under the Share Issuance and Asset Purchase Agreement and the Entrustment Agreement. The notice of EGM, together with the proxy form and reply slip will be despatched to the Shareholders on or around 30 June 2016.

A circular containing, among other things, further details of the Asset Restructuring and other information required pursuant to the Listing Rules, is currently expected to be despatched on or before 25 July 2016 as additional time is required to prepare the information in the circular.

Reference is made to (i) the announcement of the Company dated 17 April 2016 in relation to the possible acquisition of not less than 51% equity interests in Jidong Development by the Company and the possible injection of cement and concrete businesses into Jidong Cement and (ii) the announcement of the Company dated 31 May 2016 in relation to the agreements for the equity restructuring of Jidong Development, upon completion of which the Company shall hold 55% of the equity interest in Jidong Development.

The Board is pleased to announce that on 29 June 2016, the Company entered into the Share Issuance and Asset Purchase Agreement with Jidong Cement in relation to the Asset Restructuring.

THE SHARE ISSUANCE AND ASSET PURCHASE AGREEMENT

Date

29 June 2016

Parties

(1) The Company

(2) Jidong Cement

Principal terms and consideration

The Company has agreed to dispose of, and Jidong Cement has agreed to purchase, the Target Interests at the Disposal Consideration subject to the terms and conditions of the Share Issuance and Asset Purchase Agreement. To settle the Disposal Consideration, Jidong Cement will issue Consideration Shares to the Company at the Issue Price of RMB9.31 per share, which is 90% of the average closing price of the A shares of Jidong Cement for twenty consecutive trading days before the Benchmark Date.

The Disposal Consideration was determined by the Preliminary Valuation Results and if there is any discrepancy between the Preliminary Valuation Results and the Approved Valuation Results, the Disposal Consideration shall be adjusted based on the Approved Valuation Results. Based on the Preliminary Valuation Results, the valuation result of the Target Interests as at 31 March 2016 was RMB12,952,998,238.46.

In case of ex-rights or ex-dividend events such as the distribution of dividends, bonus issue, transfer to share capital or rights issue by Jidong Cement during the period from the Benchmark Date to the issue date of the Consideration Shares, the Issue Price shall be adjusted in accordance with the following formula:

Distribution of share dividend or transfer of capital reserve to share capital : $P1 = P0 / (1 + n)$;

Rights issue: $P1 = (P0 + A \times k) / (1 + k)$;

Where the two events above occur concurrently: $P1 = (P0 + A \times k) / (1 + n + k)$;

Distribution of cash dividend: $P1 = P0 - D$;

Where the three events above occur concurrently: $P1 = (P0 - D + A \times k) / (1 + n + k)$

where $P0$ represents the effective Issue Price before adjustment; n represents the ratio of share dividend or transfer to share capital; k represents the ratio of the rights issue; A represents the price of the right issue; D represents the cash dividend payable for each share; and $P1$ represents the effective Issue Price after adjustment.

Based on the Preliminary Valuation Results of the Target Interests as at 31 March 2016, the number of the Consideration Shares will be 1,391,299,488. Where there are any discrepancy between the Preliminary Valuation Results and the Approved Valuation Results, the Approved Valuation Results shall prevail and the amount of Consideration Shares shall be adjusted accordingly, which is calculated by the Disposal Consideration divided by the Issue Price.

The number of fractional shares shall be rounded down to the nearest whole number and any entitlement to a fractional share will be transferred to the capital reserve of Jidong Cement. In the case of an ex-rights or ex-dividend event such as distribution of dividends, bonus issue, transfer to share capital or rights issue by Jidong Cement during the period from the Benchmark Date to the issue date of the Consideration Shares, the Issue Price and the number of the Consideration Shares will be adjusted accordingly. The number of the Consideration Shares will be subject to the approval from the CSRC.

The Consideration Shares will be issued by Jidong Cement after the effective date of the Share Issuance and Asset Purchase Agreement and within the valid period of the approval from the CSRC.

Effectiveness

The Share Issuance and Asset Purchase Agreement shall become effective upon satisfaction of the following conditions:

- (1) the Share Issuance and Asset Purchase Agreement having been approved by the general meeting of the Company;
- (2) the issue of Consideration Shares and related matters having been approved by the general meeting of Jidong Cement;

- (3) the requisite approval and waiver from the Stock Exchange for the Asset Restructuring having been obtained;
- (4) the Asset Restructuring having been approved under the anti-monopoly review undertaken by the Ministry of Commerce of the PRC (中華人民共和國商務部); and
- (5) the issue of Consideration Shares having been approved by the CSRC.

As at the date of this announcement, none of the above conditions have been satisfied.

As at the date of the Agreement, the approval in-principle from Beijing City State-owned Assets Supervision and Administration Commission for the Asset Restructuring has been obtained.

Dividend entitlement

During the period from 31 March 2016 to the Closing Date, if any of the Target Companies passes a resolution to pay dividend to its shareholders, Jidong Cement shall be entitled to the dividend attributable to the Company or its subsidiaries after the Completion Date.

Share of profit or loss

During the period from 31 March 2016 to the Completion Date, the profit or loss of the Target Companies shall be shared between the Company and Jidong Cement in proportion to their respective shareholdings in the Target Companies after the Completion Date.

Closing

The date of completion of the transfer of the rights and risks of the Target Interests to Jidong Cement by the Company shall occur on the Closing Date, being the fifth business day after the effective date of the Share Issuance and Asset Purchase Agreement.

Jidong Cement shall start the application procedure to the share registration authority to register the Company as the owner of the Consideration Shares within ten business days after the completion date of changes of business registrations of the Target Companies, which shall be within twenty business days after the Closing Date.

Restrictions on the transfer of the Consideration Shares

The Consideration Shares may not be transferred within thirty-six months from the Completion Date.

In the event that the average closing price of the A shares of Jidong Cement for twenty consecutive trading days falls below the Issue Price within six months from the Completion Date, or in the event that the closing price of the A shares of Jidong Cement at the end of the

six-month period from the Completion Date falls below the Issue Price, the above-mentioned lock-up period shall be automatically extended for at least six months.

Undistributed Profit

The accumulated undistributed profit of Jidong Cement shall be shared between its shareholders in proportion to their shareholdings after the completion of issue of the Consideration Shares.

Termination

The Share Issuance and Asset Purchase Agreement shall be terminated under the following circumstances:

- (1) parties to the Share Issuance and Asset Purchase Agreement agree unanimously to terminate the agreement;
- (2) if any of the conditions precedent for the effectiveness of the Share Issuance and Asset Purchase Agreement set out above is not satisfied, the agreement shall be terminated automatically since the date when the failure has been realized; and
- (3) in the event of the occurrence of any force majeure event after the signing of the agreement which is unforeseen by any party or unavoidable, including but not limited to natural disasters, promulgation or amendment of state laws and regulations and government prohibitions, which causes the agreement to be unable, impossible or not required to be performed, the agreement may be terminated after negotiation between the parties.

The transactions under the Equity Restructuring Agreements in relation to the equity restructuring of Jidong Development (further details of which were disclosed in the announcement of the Company dated 31 May 2016) are not inter-conditional with the transactions under the Share Issuance and Asset Purchase Agreement. The Company currently expects that the transactions under the Equity Restructuring Agreements will be completed before the transactions under the Share Issuance and Asset Purchase Agreement.

Shareholding of Jidong Cement upon completion of the Asset Restructuring

As at the date of this announcement, the shareholding structure of Jidong Cement is as follows:

	Number of Shares	Shareholding percentage
The Company	Nil	Nil
Jidong Development	404,256,874	30.00%
Tangshan State-owned Capital Operation Co., Ltd.* (唐山國有資本運營有限公司)	100,836,212	7.48%
Other shareholders	842,429,828	62.52%
Total	1,347,522,914	100.00%

Simultaneously with the Asset Restructuring, Jidong Cement is proposing to conduct a non-public issuance of shares to no more than 10 designated investors to raise funds of no more than RMB3,024,021,300 at the issue price of not less than RMB9.31 per share.

Based on the Preliminary Valuation Results (assuming the issue of 1,391,299,488 Consideration Shares at the Issue Price of RMB9.31 under the Asset Restructuring), upon completion of the Asset Restructuring and the Non-Public Issuance (assuming the issue price of RMB9.31 per share and the net proceeds of no more than RMB3,024,021,300), the shareholding structure of Jidong Cement will be as follows:

	Upon completion of the Asset Restructuring (prior to the Non-Public Issuance)		Upon completion of the Asset Restructuring and Non-Public Issuance	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
The Company	1,391,299,488	50.80%	1,391,299,488	45.41%
Jidong Development	404,256,874	14.76%	404,256,874	13.20%
Tangshan State-owned Capital Operation Co., Ltd.* (唐山國有資本運營有限公司)	100,836,212	3.68%	100,836,212	3.29%
Not more than 10 designated investors	-	-	324,814,318	10.60%
Other shareholders	842,429,828	30.76%	842,429,828	27.50%
Total	2,738,822,402	100.00%	3,063,636,720	100.00%

ENTRUSTMENT AGREEMENT

The businesses of the Entrustment Companies are the manufacturing and sale of cement and ready-mixed concrete. As the minority shareholders of the Entrustment Companies have not consented to the transfer of the equity interests in the Entrustment Companies by the Company to Jidong Cement and giving up of their right of first refusal, the Entrustment Targets will not be subject to transfer under the Asset Restructuring. The Company undertakes that the equity interests in the Entrustment Companies will be transferred to Jidong Cement for cash consideration in the event minority shareholders' consent is obtained in the future.

To prevent business competition with Jidong Cement, on 29 June 2016, the Company entered into the Entrustment Agreement with Jidong Cement, the principal terms of which are set out below:

Date

29 June 2016

Parties

- (1) the Company
- (2) Jidong Cement

Entrustment arrangement

The Company shall entrust Jidong Cement to manage all rights other than ownership and income right of the Entrustment Targets, including but not limited to shareholders' voting right of the Entrustment Companies, and right of appointment or choice of the managers. Except where the Company has consented in writing, Jidong Cement shall not dispose of the Entrustment Targets, including creating pledges or third-party interests in other forms.

Entrustment fees

The Company shall pay Jidong Cement a fixed entrustment fee of RMB1,000,000 per annum and floating entrustment fees equivalent to the 10% of the net profit of the relevant Entrustment Companies for the year, multiplied by the percentage of the relevant equity interests held by the Company.

Effectiveness

The Entrustment Agreement shall take effect after obtaining approvals from the shareholders' meeting of the Company of the Entrustment Agreement, and approvals from the shareholders' meeting of Jidong Cement and the CSRC for the Asset Restructuring.

THE PROPOSED SPIN-OFF

The transfer of the Target Interests by the Company to Jidong Cement in exchange for the issue of the Consideration Shares pursuant to the Share Issuance and Asset Purchase Agreement constitutes a spin-off pursuant to the applicable requirements under Practice Note 15 of the Listing Rules. The Company has submitted a spin-off proposal to the Stock Exchange pursuant to Practice Note 15 in relation to the Proposed Spin-off.

The Company proposes that no assured entitlement to the A shares of Jidong Cement will be offered to the Shareholders in connection with the Proposed Spin-off. The Company has applied to the Stock Exchange for a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under Practice Note 15. The Company will make further announcement(s) in relation to the progress of the spin-off application and waiver.

REASONS FOR AND BENEFITS OF THE ASSET RESTRUCTURING

The Asset Restructuring is conducive to resolving excess regional production capacity, optimizing regional industrial structure and distribution, facilitating the sound and orderly development of the regional cement industry, fostering the integration of regional resources, advancing the development of regional ecological civilization, and improving the long-term profitability, competitiveness and sustainable development capability of the Company.

Upon the completion of the Asset Restructuring, the Equity Restructuring and the Non-Public Issuance, Jidong Cement will become a subsidiary of the Company and the financial position, financial results and cash flows of Jidong Cement will be consolidated into the financial statements of the Company, as a result of which the total assets and scale of business of the Company will be enlarged.

The Asset Restructuring is not expected to have any material adverse effect on the Company's financial results for the year ending 31 December 2016.

The Directors (excluding all the independent non-executive Directors, being members of the independent board committee who will give their opinion after taking into account the advice of the Independence Financial Adviser) consider that the terms of the Share Issuance and Asset Purchase Agreement and the Proposed Spin-off are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE TARGET COMPANIES

Details of the Target Companies (all of which are direct or indirect subsidiaries of the Company) and the Target Interests to be transferred by the Company or its subsidiaries to Jidong Cement pursuant to the Share Issuance and Asset Purchase Agreement are set out below:

	Name	Shareholding percentage of the Company to be transferred
1	Beijing BBMG Cement Trading Co., Ltd.* (北京金隅水泥經貿有限公司)	100.00%
2	Beijing Liulihe Cement Co., Ltd.* (北京市琉璃河水泥有限公司)	100.00%
3	Tianjin Zhenxing Cement Co., Ltd.* (天津振興水泥有限公司)	62.09%
4	Hebei BBMG Dingxin Cement Co., Ltd.* (河北金隅鼎鑫水泥有限公司)	100.00%
5	Handan BBMG Taihang Cement Co., Ltd.* (邯鄲金隅太行水泥有限責任公司)	90.10%
6	Handan Fengfeng BBMG Concrete Co., Ltd.* (邯鄲市峰峰金隅混凝土有限公司)	100.00%
7	Handan Hanshan BBMG Concrete Co., Ltd.* (邯鄲市邯山金隅混凝土有限公司)	92.00%
8	Weixian BBMG Concrete Co., Ltd.* (魏縣金隅混凝土有限公司)	92.00%
9	Handan BBMG Concrete Co., Ltd.* (邯鄲縣金隅混凝土有限公司)	92.00%
10	Hebei Taihang Huaxin Building Materials Co., Ltd.* (河北太行華信建材有限責任公司)	100.00%
11	Zanhuang BBMG Cement Co., Ltd.* (贊皇金隅水泥有限公司)	100.00%
12	Lanxian BBMG Cement Co., Ltd.* (嵐縣金隅水泥有限公司)	80.00%
13	Zhuolu BBMG Cement Co., Ltd.* (涿鹿金隅水泥有限公司)	100.00%
14	Handan Shexian BBMG Cement Co., Ltd.* (邯鄲涉縣金隅水泥有限公司)	91.00%
15	Baoding Taihang Heyi Cement Co., Ltd.* (保定太行和益水泥有限公司)	75.00%
16	Zhangjiakou BBMG Cement Co., Ltd.* (張家口金隅水泥有限公司)	100.00%
17	Xuanhua BBMG Cement Co., Ltd.* (宣化金隅水泥有限公司)	65.00%
18	Chengde BBMG Cement Co., Ltd.* (承德金隅水泥有限責任公司)	85.00%
19	Beijing Taihang Qianjing Cement Co., Ltd.* (北京太行前景水泥有限公司)	67.00%
20	Siping BBMG Cement Co., Ltd.* (四平金隅水泥有限公司)	52.00%
21	Qinyang BBMG Cement Co., Ltd.* (沁陽市金隅水泥有限公司)	86.60%
22	Boai BBMG Cement Co., Ltd.* (博愛金隅水泥有限公司)	95.00%
23	Lingchuan BBMG Cement Co., Ltd.* (陵川金隅水泥有限公司)	100.00%
24	Zuoquan BBMG Cement Co., Ltd.* (左權金隅水泥有限公司)	100.00%
25	Guangling BBMG Cement Co., Ltd.* (廣靈金隅水泥有限公司)	100.00%
26	Beijing BBMG Concrete Co., Ltd.* (北京金隅混凝土有限公司)	100.00%
27	Tianjin BBMG Concrete Co., Ltd.* (天津金隅混凝土有限公司)	91.01%
28	Beijing BBMG Mortar Co., Ltd.* (北京金隅砂漿有限公司)	80.00%
29	Beijing BBMG Cement Energy-saving Technology Co., Ltd.* (北京金隅水泥節能科技有限公司)	100.00%
30	Beijing BBMG Hongshulin Environment Protection Technology Co., Ltd.* (北京金隅紅樹林環保技術有限責任公司)	51.00%
31	Tongda Refractory Technology Co., Ltd.* (通達耐火技術股份有限公司)	92.83%

All of the Target Companies are established under the laws of the PRC with limited liability. The principal businesses of the Target Companies are manufacturing and sale of cement, and other related businesses. After completion of the Asset Restructuring, each of the Target Companies will continue to be subsidiaries of the Company.

Pan-China Assets Appraisal Co., Ltd., an independent valuer, adopted the asset-based approach and market approach to appraise the value of the Target Interests as at the date of valuation, being 31 March 2016, and issued the valuation report. The valuation result of the Target Interests as at 31 March 2016 was RMB12,952,998,238.46 by the asset-based approach and was RMB12,357,803,700 by the market approach. Given that there are certain difference between the scale and efficiency of cement and concrete related business and assets with those of comparable listed companies, it is difficult to remove the impact of the differences of the above factors on valuation result under the market approach, and the result of the market approach is vulnerable to fluctuations of the stock market. However, the asset-based approach considers the value of corporate assets from the perspective of replacement, and the choice of economic parameters involved in various assets has sufficient data as its foundation and basis. Combining with the purpose of this evaluation, based on the principles of prudence, the valuation result by asset-based approach was adopted as the valuation result of its report. Therefore, the Preliminary Valuation Results were RMB12,952,998,238.46 as at 31 March 2016.

Set out below is the audited financial information of the Target Companies prepared in accordance with PRC accounting standards for the two years ended 31 December 2015 and three months ended 31 March 2016:

Unit: RMB

Item	As at/For the year ended 31 December 2014	As at/For the year ended 31 December 2015	As at/For the three months ended 31 March 2016
Profit/(Loss) before taxation	180,301,925.00	(445,892,947.82)	(519,454,441.60)
Profit/(Loss) after taxation attributable to the shareholder of the parent company	33,111,265.26	(460,607,370.37)	(442,958,149.96)
Net asset attributable to the shareholder of the parent	11,553,717,449.79	11,406,977,726.91	11,498,869,403.47

INFORMATION ON JIDONG CEMENT

Jidong Cement is a joint stock company established under the laws of the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 000401). As at the date of this announcement, Jidong Cement is held by Jidong Development as to 30.00%. Its principal businesses are cement, clinker and concrete.

Set out below is the audited financial information of the Jidong Cement prepared in accordance with PRC accounting standards for the two years ended 31 December 2015 and three months ended 31 March 2016:

Unit: RMB

Item	As at/For the year ended 31 December 2014	As at/For the year ended 31 December 2015	As at/For the three months ended 31 March 2016
Loss before taxation	(179,155,848.08)	(1,735,655,663.00)	(1,525,248,888.21)
Profit/(Loss) after taxation attributable to the shareholder of the parent company	34,707,565.28	(1,715,219,377.12)	(1,302,562,342.50)
Net asset attributable to the shareholder of the parent	11,793,553,532.18	10,060,610,751.51	8,620,373,543.87

INFORMATION ON THE PARTIES TO THE SHARE ISSUANCE AND ASSET PURCHASE AGREEMENT

The Company is a joint stock company established under the laws of the PRC with limited liability, the A Shares of which are listed on the Shanghai Stock Exchange and the H Shares of which are listed on the Main Board of the Stock Exchange. The Company is principally engaged in the manufacture and sale of cement and modern building materials, property development, property investment, and provision of property management services.

Jidong Cement is a joint stock company established under the laws of the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 000401).

To the best knowledge, information and belief of the Directors and after making reasonable enquiries, Jidong Cement and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules) as at the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 25% but less than 100%, the Asset Restructuring will constitute a major transaction of the Company subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In addition, the transfer of the Target Interests by the Company to Jidong Cement in exchange for the issuance of Consideration Shares pursuant to the Share Issuance and Asset Purchase Agreement also constitutes a spin-off pursuant to the applicable requirements under Practice Note 15. The Proposed Spin-off is therefore also subject to the approval of the Shareholders under paragraph 3(e)(1) of Practice Note 15. An independent

board committee comprising all the independent non-executive Directors has been formed to advise the Shareholders and Gram Capital has been appointed as the Independent Financial Adviser to advise the independent board committee and the Shareholders in respect of the Proposed Spin-off.

None of the Directors has any material interests in the Asset Restructuring and was required to abstain from voting on the resolutions of the Board to approve the Share Issuance and Asset Purchase Agreement under the Listing Rules.

To the best knowledge, information and belief of the Directors and after making reasonable enquiries, no Shareholder is required to abstain from voting in respect of the resolutions to be proposed at the EGM to approve the transactions under the Share Issuance and Asset Purchase Agreement.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened for the purpose of, amongst other things, considering and approving the transactions under the Share Issuance and Asset Purchase Agreement and the Entrustment Agreement. The notice of EGM, together with the proxy form and reply slip will be despatched to the Shareholders on or around 30 June 2016.

A circular containing, among other things, further details of the Asset Restructuring and other information required pursuant to the Listing Rules, is currently expected to be despatched on or before 25 July 2016 as additional time is required to prepare the information in the circular.

The Asset Restructuring is subject to, among other things, various regulatory and internal corporate approvals, and may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Approved Valuation Results”	the valuation results of the Target Interests as at 31 March 2016 to be approved by competent state-owned assets supervision and administration authority
“Asset Restructuring”	the transactions contemplated under the Share Issuance and Asset Purchase Agreement

“Benchmark Date”	the pricing date of 30 June 2016, being the date of announcement of resolutions of the nineteenth meeting of the seventh session of the board of Jidong Cement
“Board”	the board of Directors
“Closing Date”	the fifth business day after the effective date of the Share Issuance and Asset Purchase Agreement
“Company”	BBMG Corporation* (北京金隅股份有限公司), a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 02009) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601992)
“Completion Date”	the date of completion of issue of the Consideration Shares
“Consideration Share(s)”	the new A share(s) of par value of RMB1.00 each to be issued by Jidong Cement to satisfy the Disposal Consideration
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Disposal Consideration”	the consideration payable by Jidong Cement to the Company for the purchase of the Target Interests
“EGM”	the extraordinary general meeting to be convened by the Company for the purpose of approving, among other things, the Share Issuance and Asset Purchase Agreement and the Entrustment Agreement
“Entrustment Agreement”	the equity entrustment agreement dated 29 June 2016 entered into between the Company and Jidong Cement

“Entrustment Companies”	<p>Quyang BBMG Cement Co., Ltd.* (曲陽金隅水泥有限公司), Xingtai BBMG Yongning Cement Co., Ltd.* (邢台金隅詠寧水泥有限公司) and Shijiazhuang BBMG Xucheng Concrete Co., Ltd.* (石家莊金隅旭成混凝土有限公司), all of which are subsidiaries of the Company</p>
“Entrustment Targets”	<p>90% equity interests in Quyang BBMG Cement Co., Ltd.* (曲陽金隅水泥有限公司), 60% equity interests in Xingtai BBMG Yongning Cement Co., Ltd.* (邢台金隅詠寧水泥有限公司) and 97.8% equity interests in Shijiazhuang BBMG Xucheng Concrete Co., Ltd.* (石家莊金隅旭成混凝土有限公司), all of which are held by the Company</p>
<p>“Gram Capital” or “Independent Financial Adviser”</p>	<p>Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed by the Company to advise the independent board committee and the Shareholders in relation to the Proposed Spin-off</p>
“Equity Restructuring”	<p>transactions contemplated under the Equity Restructuring Agreements</p>
<p>“Equity Restructuring Agreements”</p>	<p>collectively, (i) the agreement dated agreement dated 31 May 2016 entered into among the Company, State-owned Assets Supervision and Administration Commission of Tangshan* (唐山市人民政府國有資產監督管理委員會) and Jidong Development; and (ii) the agreement dated 31 May 2016 entered into between the Company and Zhongtai Trust Co., Ltd.* (中泰信託有限責任公司), further details of which were set out in the announcement of the Company dated 31 May 2016</p>

“Jidong Cement”	Tangshan Jidong Cement Co., Ltd.* (唐山冀東水泥股份有限公司), a joint stock company established under the laws of the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange
“Jidong Development”	Jidong Development Group Co., Ltd.* (冀東發展集團有限責任公司), a company established under the laws of the PRC with limited liability
“Issue Price”	the issue price of the Consideration Shares, which is RMB9.31 per share (subject to adjustment)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-Public Issuance”	the non-public issuance of shares by Jidong Cement to no more than 10 designated investors at the issue price of not less than RMB9.31 per share proposed to be conducted simultaneously with the Asset Restructuring
“Practice Note 15”	Practice Note 15 of the Listing Rules
“PRC”	the People’s Republic of China
“Preliminary Valuation Results”	preliminary valuation results of the Target Interests as at 31 March 2016, which has not been approved by competent state-owned assets supervision and administration authority as at the date of this announcement
“Proposed Spin-off”	the disposal of the Target Interests by the Company or its subsidiaries to Jidong Cement in exchange for the issuance of the Consideration Shares according to the Share Issuance and Asset Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising A shares and H shares

“Share Issuance and Asset Purchase Agreement”	the share issuance and asset purchase agreement dated 29 June 2016 entered into between the Company and Jidong Cement
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	the target companies the equity interests of which are proposed to be transferred by the Company or its subsidiaries to Jidong Cement pursuant to the Share Issuance and Asset Purchase Agreement
“Target Interests”	the equity interests in the Target Companies held by the Company
“%”	per cent

By order of the Board
BBMG Corporation*
Jiang Deyi
Chairman

Beijing, the PRC, 29 June 2016

As at the date of this announcement, the executive directors are Jiang Deyi, Wu Dong, Shi Xijun, Zhang Jianli, Li Weidong and Zang Feng; and the independent non-executive directors are Wang Guangjin, Tian Lihui, Tang Jun and Ngai Wai Fung.

** English translation denotes for identification purposes only*