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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)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES
(A) CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR
THE RELEVANT PERIODS PREPARED UNDER CASBE
(B) RECONCILIATION OF CONSOLIDATED FINANCIAL INFORMATION
FROM HKFRSs TO CASBE
AND
(C) PROFIT FORECAST PREPARED UNDER CASBE

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the announcement of the Company dated 4 June 2010 (the “**Announcement**”). Unless otherwise indicated, capitalised terms used in this announcement shall have the same meaning as those defined in the **Announcement**.

On 6 July 2010, the Board has reviewed and approved the consolidated financial information of the Group for the Relevant Periods prepared under CASBE and the profit forecast of the Group for the two years ending 31 December 2011 prepared under CASBE which will be made available on the relevant newspapers in PRC and the website of Shanghai Stock Exchange on or about the date of this announcement. To ensure the timely release of price sensitive information which has not been previously made available to the Shareholders or the public, this announcement presents the consolidated financial information of the Group for the Relevant Periods prepared under CASBE and the profit forecast of the Group for the two years ending 31 December 2011 prepared under CASBE.

The investors and potential investors in H Shares should not rely on information published or disseminated from the PRC when they deal, or contemplate dealing, in the H Shares or other securities of the Company.

A. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR THE RELEVANT PERIODS PREPARED UNDER CASBE

Background

In connection with the proposed A Share Issue and the Merger Proposal, the Group has prepared financial information for the three years ended 31 December 2009 (the “**Relevant Periods**”). On 6 July 2010, the Board reviewed and approved such financial information. Such financial information will also be published by Taihang Cement on the relevant newspapers and the website of Shanghai Stock Exchange on or about the date of this announcement.

Pursuant to Zheng Jian Fa [2006]136 “Notice concerning bettering the relevant financial accounting information and disclosure under the New PRC GAAP” and CSRC Announcement [2010]1 “Information Disclosure Rule No.15 for Companies’ Public Offering of Securities – General provisions for financial reporting (2010 amendments)” issued by the CSRC, the Company is required to prepare the financial statements for three years ended 31 December 2009 (the “**Financial Statements**”) prepared in accordance with the China Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006 (as amended from time to time) and related implementation guidance notes (“**CASBE**”). Throughout the Relevant Periods, the Financial Statements of the Group have applied the accounting policies in accordance with the CASBE where the accounting policies are consistent with those adopted in the Group’s historical financial statements prepared under Hong Kong Financial Reporting Standards (“**HKFRSs**”).

Certain Consolidated Financial Information of the Group for the Relevant Periods Prepared under CASBE

The following is a summary of the consolidated financial information of the Group, audited by Beijing Xinghua Certified Public Accountants Co., Ltd., the domestic statutory auditors of the Company, for the Relevant Periods which is prepared in accordance with CASBE and the basis as set out above.

(A) Consolidated Income Statement

	Year 2009 <i>RMB'000</i>	Year 2008 <i>RMB'000</i>	Year 2007 <i>RMB'000</i>
Revenue	12,964,958	8,884,560	8,368,766
Less:			
Cost of sales	9,196,105	6,508,745	6,342,112
Sales tax and surcharges	443,754	268,718	214,161
Selling expenses	476,425	370,479	326,349
Administrative expenses	1,024,911	917,987	879,035
Financial expenses	178,244	209,583	253,163
Impairment losses of assets	40,414	31,738	24,934
Add:			
Gain on change in fair value of assets	674,455	910,866	384,388
Investment income	72,702	(34,512)	(5,972)
Operating profit	2,352,262	1,453,664	707,428
Add:			
Non-operating income	456,550	428,975	192,245
Less:			
Non-operating expenses	37,991	97,866	22,570
Profit before tax	2,770,821	1,784,773	877,103
Less:			
Income tax expense	701,933	411,806	202,651
Profit for the year	<u>2,068,888</u>	<u>1,372,967</u>	<u>674,452</u>
Profit for the year attributable to:			
Owners of the Company	1,982,498	1,306,896	624,519
Minority interests	86,390	66,071	49,933
	<u>2,068,888</u>	<u>1,372,967</u>	<u>674,452</u>

(B) Consolidated Balance Sheet

	Year 2009 RMB'000	Year 2008 RMB'000	Year 2007 RMB'000
ASSETS			
Non-current assets			
Available-for-sale financial assets	9,117	2,641	6,035
Long-term equity investments	729,882	1,061,987	518,643
Investment properties	8,678,215	6,995,850	4,674,000
Fixed assets	6,542,793	3,693,139	3,589,731
Construction in progress	1,279,890	1,244,851	1,249,151
Construction materials	114,264	18,006	21,529
Intangible assets	1,836,442	1,440,652	813,449
Goodwill	242,385	95,205	95,205
Long-term deferred expenses	29,175	20,962	15,999
Deferred tax assets	308,164	119,370	84,394
Other non-current assets	1,490	361	0
Total non-current assets	<u>19,771,817</u>	<u>14,693,024</u>	<u>11,068,136</u>
Current assets			
Cash and cash equivalents	6,262,606	2,031,729	1,758,918
Bills receivables	405,677	182,348	117,805
Trade receivables	1,373,737	960,571	1,185,278
Prepayments, deposits and other receivables	3,237,143	1,489,210	2,752,365
Inventories	10,782,687	6,371,100	5,063,371
Other current assets	42,631	35,194	10,540
Total current assets	<u>22,104,481</u>	<u>11,070,152</u>	<u>10,888,277</u>
Total assets	<u>41,876,298</u>	<u>25,763,176</u>	<u>21,956,413</u>
LIABILITIES AND EQUITY			
Current liabilities			
Short-term loans	1,544,600	3,958,200	2,763,030
Bills payables	175,607	134,380	137,910
Trade payables	2,299,703	1,836,319	1,406,639
Advances from customers	5,362,511	2,380,563	2,068,662
Payroll payable	83,265	73,322	84,299
Taxes payable	393,590	348,401	273,969
Interests payable	994	0	0
Dividend payable	38,020	37,007	69,260
Other payables	2,169,763	2,730,676	6,358,390
Non-current liabilities maturing within one year	1,499,500	1,194,000	1,198,000
Other current liabilities	<u>763,195</u>	<u>680,980</u>	<u>674,859</u>
Total current liabilities	<u>14,330,748</u>	<u>13,373,848</u>	<u>15,035,018</u>

	Year 2009 <i>RMB'000</i>	Year 2008 <i>RMB'000</i>	Year 2007 <i>RMB'000</i>
Non-current liabilities			
Long-term loans	5,098,361	1,872,700	875,700
Corporate bonds	1,933,904	0	0
Long-term payables	562,429	558,328	583,921
Accrued payables	77,439	0	0
Deferred tax liabilities	1,231,794	950,568	669,344
Other non-current liabilities	389,950	545,609	314,671
	<u>9,293,877</u>	<u>3,927,205</u>	<u>2,443,636</u>
Total non-current liabilities			
	<u>23,624,625</u>	<u>17,301,053</u>	<u>17,478,654</u>
Total liabilities			
Equity			
Share capital	3,873,333	2,800,000	1,800,000
Capital reserves	7,728,697	1,913,696	334,345
Surplus reserves	1,115	1,115	0
Retained earnings	4,795,960	2,906,433	1,736,702
	<u>16,399,105</u>	<u>7,621,244</u>	<u>3,871,047</u>
Equity attributable to equity holders of the parent			
Minority interests	1,852,568	840,879	606,712
	<u>18,251,673</u>	<u>8,462,123</u>	<u>4,477,759</u>
Total equity			
Total liabilities and equity	<u>41,876,298</u>	<u>25,763,176</u>	<u>21,956,413</u>

B. RECONCILIATION OF CONSOLIDATED FINANCIAL INFORMATION FROM HKFRSs TO CASBE

The audited financial statements of the Group prepared under HKFRSs for the three years ended 31 December 2009 were duly disclosed in the prospectus of the Company dated 17 July 2009 and the 2009 annual report of the Company.

The main GAAP differences between the consolidated financial statements prepared in accordance with HKFRSs and CASBE, respectively, for the three years ended 31 December 2009, were as follows:

	31 December		31 December		31 December	
	Year 2009	2009	Year 2008	2008	Year 2007	2007
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Net Profit	Net Assets	Net Profit	Net Assets	Net Profit	Net Assets
Prepared under HKFRSs (including minority interests)	2,115,106	16,484,366	1,386,011	8,174,229	693,760	4,182,201
1. Difference arising from assets valuation of the corporate restructuring	(15,244)	285,348	(14,918)	300,592	(15,224)	311,425
2. Difference arising from the combination of entities under common control	2,037	(23,386)	2,037	(25,423)	-	(15,867)
3. Effects of the combination scope	(33,011)	1,505,345	(163)	12,725	-	-
4. The conversion of properties for self-use to investment properties	-	-	-	-	(4,085)	-
Prepared under CASBE (including minority interests)	<u>2,068,888</u>	<u>18,251,673</u>	<u>1,372,967</u>	<u>8,462,123</u>	<u>674,451</u>	<u>4,477,759</u>

The international auditors for the Group's financial statements prepared under HKFRSs for the three years ended 31 December 2009 is Ernst & Young.

Notes for reconciling items between HKFRSs and CASBE:

1. Difference arising from assets valuation of the corporate restructuring: on 22 December 2005, the Parent contributed to the Company with its net assets, including the restructuring of a collectively-owned enterprise which was a subsidiary of the Parent into a corporation. The Company recognised the relevant cost of the assets and liabilities of the restructured subsidiary on the basis of the revaluation under CASBE, whereas the relevant cost of assets and liabilities was recognised on the basis of the original carrying value of the restructured subsidiary under HKFRSs, which resulted in the difference of net assets and net profits between the statements prepared under CASBE and that under HKFRSs of each year.

2. Difference arising from the combination of entities under common control: in accordance with CASBE, the combination of entities under common control shall be included in consolidated statements at the original carrying values of the acquirees. The difference between the carrying values of the net assets acquired by the acquirer and the consideration paid for the combination will lead to an adjustment to capital reserve. When the capital reserve is insufficient, the excess is adjusted to retained profits. In accordance with the relevant requirements under HKFRSs, the accounting of acquirees acquired by the Parent from third parties shall be carried at fair values shown in the consolidated financial statement of the Parent as ultimate controller prior to the combination of entities under common control. The goodwill arising from the combination by the Parent shall be recognised in the consolidated financial statement of the Company. This resulted in the difference of net assets and net profits between the statements prepared under CASBE and that under HKFRSs of each year.
3. Effects of the combination scope: during the period from March to April of 2010, the Company acquired equity interests of certain companies from the Parent which constituted the combination of entities under common control and were adjusted and included as events after the reporting period in the consolidated financial statements for the years 2007 to 2009 by the Company as if they had been in current conditions since the Parent acquired the control. Since such events had not been adjusted and included in the Company's financial statements prepared under HKFRSs, there was difference of net assets and net profits between the statements prepared under CASBE and that under HKFRSs for the two years 2008 and 2009.
4. The conversion of properties for self-use to investment properties: in preparing the financial statements under CASBE, the difference between the fair values of the properties as at the date of conversion of the properties for self-use to investment properties measured at fair values were included in capital reserves; whereas in preparing the financial statements under HKFRSs, such difference was included in profit or loss for the year 2007. This resulted in the difference of net profits between the statements prepared under CASBE and that under HKFRSs for the year 2007.

C. PROFIT FORECAST PREPARED UNDER CASBE

Based on the Group's audited results for the three years ended 31 December 2009, and taking into consideration the operation of the Group and market demand, and the business and investments plans of the Group, in the absence of unforeseen circumstances, the Board prepared the consolidated profit forecast of the Group for the two years ending 31 December 2011 under CASBE (the "Profit Forecast"). The Profit Forecast has been prepared based on the assumption that the intended acquisitions, which have previously been announced by the Company, will be completed over the profit forecast period. For the purpose of the profit forecast, the completion of the Merger Proposal and A Share Issue is expected to take place on 31 December 2010. Details of Profit Forecast are as follows:

Profit Forecast of the Group Forecasted period: two years ending 31 December 2011

	January to March 2010 Unaudited <i>RMB'000</i>	April to December 2010 Forecasted <i>RMB'000</i>	January to December 2010 Forecasted <i>RMB'000</i>	January to December 2011 Forecasted <i>RMB'000</i>
Revenue	4,155,982	18,779,568	22,935,550	32,584,769
Less:				
Cost of sales	3,234,105	13,388,964	16,623,069	24,351,962
Sales tax and surcharges	144,371	656,125	800,496	921,047
Selling expenses	148,735	676,601	825,336	1,083,701
Administrative expenses	380,462	1,242,998	1,623,460	2,005,240
Financial expenses	50,449	413,595	464,044	668,788
Impairment losses of assets	5,486	51,900	57,386	95,668
Add:				
Gain on change in fair value of assets	0	686,215	686,215	734,250
Investment income	44,498	(49,909)	(5,411)	64,936
Operating profit	236,872	2,985,691	3,222,563	4,257,549
Add:				
Non-operating income	142,873	456,830	599,703	767,975
Less:				
Non-operating expenses	4,484	10,570	15,054	17,650
Profit before tax	375,261	3,431,951	3,807,212	5,007,874
Less:				
Income tax expense	101,428	818,467	919,895	1,380,137
Profit for the year	<u>273,833</u>	<u>2,613,484</u>	<u>2,887,317</u>	<u>3,627,737</u>
Profit for the year attributable to:				
Owners of the Company	273,774	2,408,582	2,682,356	3,494,115
Minority interests	59	204,902	204,961	133,622
	<u>273,833</u>	<u>2,613,484</u>	<u>2,887,317</u>	<u>3,627,737</u>

The Profit Forecast has been prepared on a basis consistent in all material respects with the accounting policies adopted by the Group in preparing the Financial Statements and is based on the following principal assumptions:

- there will not be any material changes in the existing state and local legal or economic policies in which the Group has been complied with;
- there will not be any material changes in the existing social economic conditions in any country or territory in which the Group carries on its business, and there will not be any material changes in the market conditions in the industries the Group operates;
- there will not be any material change in the bank lending rates, inflation rates and foreign currency exchange rates of the state;
- there will not be any material changes in the preferential tax policies and tariff applicable to the Group for the year 2011;
- the operational projects and capital investment projects planned by the Group will materialise and commence production on schedule;
- there will not be any material changes in the prices of main products produced by the Group;
- there will not be any material changes in market prices of the main raw materials required for production and operation of the Group;
- there will not be any fraud or illegal activities of the senior management of the Company which may adversely affect the Group in a material way; and
- there will not be any unforeseeable event or event of force majeure which may adversely affect the Group in a material way.

The calculations and accounting policies adopted in the Profit Forecast prepared in accordance with CASBE have been reviewed by Beijing Xinghua Certified Public Accountants Co., Ltd., the domestic statutory auditors of the Group, who has confirmed that the Profit Forecast, so far as the calculations and accounting policies are concerned, have been properly compiled in accordance with the bases and assumptions made by the Board set out above and the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies adopted by the Group in the Financial Statements approved by the Board on 6 July 2010.

The Board have reviewed the GAAP differences between HKFRSs and CASBE that are applicable to the Group and prepared the reconciliation of forecast net profit including and excluding minority interests (“MI”) from CASBE to HKFRSs as follows:

	2010 Forecast		2011 Forecast	
	Net Profit		Net Profit	
	Including	Excluding	Including	Excluding
	MI	MI	MI	MI
	RMB'000	RMB'000	RMB'000	RMB'000
Prepared under CASBE	2,887,317	2,682,356	3,627,737	3,494,115
Difference arising from assets valuation of the corporate restructuring	<u>14,200</u>	<u>14,200</u>	<u>14,200</u>	<u>14,200</u>
Prepared under HKFRSs	<u><u>2,901,517</u></u>	<u><u>2,696,556</u></u>	<u><u>3,641,937</u></u>	<u><u>3,508,315</u></u>

Please refer to the paragraph headed “RECONCILIATION OF CONSOLIDATED FINANCIAL INFORMATION FROM HKFRSs TO CASBE” for the nature of the reconciling item.

The Board is satisfied that the Profit Forecast, for which the Directors are solely responsible, has been made after due and careful enquiry. In the event that such forecast is not met, or if any event occurs during the Profit Forecast period which would significantly affect any of the assumptions above, the Company will make further announcement to explain the reasons and/or its view of the likely impact of that event on the Profit Forecast.

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By order of the Board
BBMG Corporation*
Jiang Weiping
Chairman

Beijing, the PRC, 6 July 2010

As at the date of this announcement, the executive Directors are Jiang Weiping, Li Changli, Jiang Deyi, Shi Xijun, Wang Hongjun and Deng Guangjun; the non-executive Director is Zhou Yuxian; and the independent non-executive Directors are Hu Zhaoguang, Xu Yongmo, Zhang Chengfu and Yip Wai Ming.

* *for identification purposes only*