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北京金隅集團股份有限公司

BBMG Corporation*

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

(Stock Code: 2009)

**(1) TERMINATION OF AGREEMENTS RELATING
TO ASSET RESTRUCTURING**

**(2) NOTIFIABLE TRANSACTION – FRAMEWORK AGREEMENT FOR
THE ESTABLISHMENT OF A JOINT VENTURE COMPANY
AND**

**(3) NOTIFIABLE TRANSACTION – ACQUISITION OF MINORITY
INTERESTS IN SUBSIDIARY**

BACKGROUND

Reference is made to the announcements of the Company dated 31 May 2016, 29 June 2016, 6 July 2016 and 4 August 2016 and the Circular relating to, among other things, the Equity Restructuring and Asset Restructuring of Jidong Development and Jidong Cement.

On 11 October 2016, the Company completed the Equity Restructuring. As disclosed in the Circular, the Asset Restructuring was subject to the approval by the CSRC. Due to change of internal and external circumstances, the approval of the CSRC of the Asset Restructuring is not expected to be obtained. Therefore, on 28 December 2017, the Company and Jidong Cement entered into (i) the Termination Agreement to terminate the Asset Restructuring; and (ii) the Framework Agreement in relation to the establishment of the JV Company. In contemplation of the transactions under the Framework Agreement, on 28 December 2017, the Company and the Vendors also entered into the Equity Transfer Agreements pursuant to which the Company shall purchase, and the Vendors shall sell, an aggregate of 49.0% equity interests in BBMG Mangrove (a subsidiary of the Company), upon completion of which the Company shall hold 100% of the equity interests in BBMG Mangrove.

* For identification purposes only

LISTING RULES IMPLICATIONS, CIRCULAR AND EXTRAORDINARY GENERAL MEETING

As the final consideration and valuation results of the Injected Companies and BBMG Mangrove have not been finalized and the establishment of the JV Company is subject to the signing of a joint venture agreement and other definitive agreement(s), the type of notifiable transaction applicable to the Company in respect of the establishment of the JV Company and the Equity Transfer could not be confirmed as at the date of this announcement. The Company will comply with the requirements under Chapter 14 of the Listing Rules when relevant details are finalized. An extraordinary general meeting of the Company is proposed to be convened as soon as practicable for the Shareholders to consider and approve, amongst other things, the transactions under the Framework Agreement.

A circular containing, among other things, further details regarding the Transaction Agreements and the transactions contemplated thereby, and other contents as required by the Listing Rules will be despatched to the Shareholders as soon as practicable. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company expects that the circular will be dispatched to the Shareholders on or before 28 February 2018.

WARNING

The Transaction Agreements and the transactions contemplated thereby are subject to, among other things, various regulatory approvals and shareholder approval of Jidong Cement and the Company. The transactions under the Framework Agreement are also subject to the entry of further definitive agreements to be negotiated between the Company and Jidong Cement. The transactions contemplated under the Transaction Agreements and the Equity Transfer Agreements 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.

BACKGROUND

Reference is made to the announcements of the Company dated 31 May 2016, 29 June 2016, 6 July 2016 and 4 August 2016 and the Circular relating to, among other things, the Equity Restructuring and Asset Restructuring of Jidong Development and Jidong Cement.

On 11 October 2016, the Company completed the Equity Restructuring. As disclosed in the Circular, the Asset Restructuring was subject to the approval by the CSRC. Due to change of internal and external circumstances, the approval of the CSRC of the Asset Restructuring is not expected to be obtained. Therefore, on 28 December 2017, the Company and Jidong Cement entered into (i) the Termination Agreement to terminate the Asset Restructuring; and (ii) the Framework Agreement in relation to the establishment of the JV Company. In contemplation of the transactions under the Framework Agreement, on 28 December 2017, the Company and the Vendors also entered into the

Equity Transfer Agreements pursuant to which the Company shall purchase, and the Vendors shall sell, an aggregate of 49.0% equity interests in BBMG Mangrove (a subsidiary of the Company), upon completion of which the Company shall hold 100% of the equity interests in BBMG Mangrove.

TERMINATION OF ASSET RESTRUCTURING

As disclosed in the Circular, the Company entered into the Share Issuance and Asset Purchase Agreement, the Profit Compensation Agreement and the Original Entrustment Agreement in connection with the Asset Restructuring. On 28 December 2017, the Company and Jidong Cement entered into the Termination Agreement, pursuant to which the parties agreed to terminate the Share Issuance and Asset Purchase Agreement, the Profit Compensation Agreement and the Original Entrustment Agreement.

NOTIFIABLE TRANSACTION – FRAMEWORK AGREEMENT FOR THE ESTABLISHMENT OF A JOINT VENTURE COMPANY

The Board is pleased to announce that, on 28 December 2017, the Company and Jidong Cement entered into the Framework Agreement to establish the JV Company in Tangshan, Hebei Province, the PRC. The principal terms of the Framework Agreement are set out below:

Framework Agreement

Date: 28 December 2017

Parties: (a) the Company; and

(b) Jidong Cement

Registered capital of the JV Company: The registered capital of the JV Company shall be RMB3,000 million.

Capital contribution:

The Company shall contribute the equity interests in the cement companies held by it, and Jidong Cement shall contribute the equity interests in the cement companies and assets held by it, into the JV Company as their respective contribution to the capital of the JV Company. The value of the equity interests to be injected by the Company and the value of the equity interests and assets to be injected by Jidong Cement into the JV Company are subject to the valuation results as at the valuation date (being 30 September 2017). Upon establishment of the JV Company, the Company will hold not more than 49% of the equity interests in the JV Company and Jidong Cement will hold the remaining (no less than 51%) of the equity interests in the JV Company. Based on the preliminary valuation results of the Injected Companies, the value of capital contribution and the respective percentage of capital contribution of the parties are set out below:

Name of shareholder	Net value of capital contribution <i>(RMB million)</i>	Amount of subscribed capital contribution <i>(RMB million)</i>	Percentage of the capital contribution <i>(%)</i>
the Company	7,461	1,423	47.42%
Jidong Cement	8,272	1,577	52.58%
Total	15,733	3,000	100%

The finalized respective shareholding of the Company and Jidong Cement will be determined based on the final valuation of the equity interests of the Injected Companies. The final asset value of the equity interests and assets to be injected is subject to the filing procedures of competent state administration of asset authorities.

The equity interests in the Injected Companies shall be registered under the name of the JV Company within six months after the approval of the establishment of the JV Company by CSRC.

Profit and loss during transition period:

During the period from 30 September 2017 to the date of transfer of the equity interests of the Injected Companies to the JV Company, the profit and loss of the equity interests in the Injected Companies shall be borne by the JV Company.

Injected Companies:

The list of the Injected Companies of which the equity interest will be injected into the JV Company upon the establishment of the JV Company are set out below:

No.	Name of Injected Company to be injected by the Company	Shareholding held by the Company
1	Beijing BBMG Cement Trading Co., Ltd. (北京金隅水泥經貿有限公司)	100.00%
2	Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司)	100.00%
3	Handan BBMG Taihang Cement Co., Ltd. (邯鄲金隅太行水泥有限責任公司)	92.63%
4	Quyang BBMG Cement Co., Ltd. (曲陽金隅水泥有限公司)	90.00%
5	Chengde BBMG Cement Co., Ltd. (承德金隅水泥有限責任公司)	85.00%
6	Guangling BBMG Cement Co., Ltd. (廣靈金隅水泥有限公司)	100.00%
7	Boai BBMG Cement Co., Ltd. (博愛金隅水泥有限公司)	95.00%
8	Siping BBMG Cement Co., Ltd. (四平金隅水泥有限公司)	52.00%
9	BBMG Mangrove	51.00%
10	Beijing BBMG Cement Energy Saving Technology Co., Ltd. (北京金隅水泥節能科技有限公司)	100.00%
No.	Name of Injected Company to be injected by Jidong Cement	Shareholding held by Jidong Cement
1	Tangshan Jidong Cement Co., Ltd., Tangshan Branch (唐山冀東水泥股份有限公司唐山分公司)	100.00%
2	Tangshan Jidong Cement Co., Ltd., Marketing Branch (唐山冀東水泥股份有限公司營銷分公司)	100.00%
3	Jidong Cement Luan County Co., Ltd. (冀東水泥灤縣有限責任公司)	67.59%
4	Tangshan Jidong Qixin Cement Co., Ltd. (唐山冀東啓新水泥有限責任公司)	100.00%
5	Tangshan Jidong Cement Additive Co., Ltd. (唐山冀東水泥外加劑有限責任公司)	100.00%
6	Tangshan Jidong Cement Sanyou Co., Ltd. (唐山冀東水泥三友有限公司)	85.02%
7	Tianjin Jidong Cement Co., Ltd. (天津冀東水泥有限公司)	91.00%

No.	Name of Injected Company to be injected by Jidong Cement	Shareholding held by Jidong Cement
8	Tang County Jidong Cement Co., Ltd. (唐縣冀東水泥有限責任公司)	100.00%
9	Laishui Jidong Cement Co., Ltd. (涇水冀東水泥有限責任公司)	100.00%
10	Shenzhou Jidong Cement Co., Ltd. (深州冀東水泥有限責任公司)	100.00%
11	Lingshou Jidong Cement Co., Ltd. (靈壽冀東水泥有限責任公司)	59.00%
12	Zhangjiakou Jidong Cement Co., Ltd. (張家口冀東水泥有限責任公司)	66.00%
13	Datong Jidong Cement Co., Ltd. (大同冀東水泥有限責任公司)	100.00%
14	Jidong Haitian Cement Wenxi Co., Ltd. (冀東海天水泥聞喜有限責任公司)	60.00%
15	Yangquan Jidong Cement Co., Ltd. (陽泉冀東水泥有限責任公司)	100.00%
16	Shanxi Shuangliang Dingxin Cement Co., Ltd. (山西雙良鼎新水泥有限公司)	60.00%
17	Chengde Jidong Cement Co., Ltd. (承德冀東水泥有限責任公司)	100.00%
18	Pingquan Jidong Cement Co., Ltd. (平泉冀東水泥有限責任公司)	100.00%
19	Changli Jidong Cement Co., Ltd. (昌黎冀東水泥有限公司)	69.00%
20	Jidong Cement Yongji Co., Ltd. (冀東水泥永吉有限責任公司)	100.00%
21	Jidong Cement Panshi Co., Ltd. (冀東水泥磐石有限責任公司)	100.00%
22	Jidong Cement Fuyu Co., Ltd. (冀東水泥扶餘有限責任公司)	100.00%

Board composition and management structure:

- (i) The board of directors of the JV Company shall comprise three directors, one of whom shall be appointed by the Company and two of whom shall be appointed by Jidong Cement.
- (ii) The board of directors of the JV Company shall have one chairman, who shall be appointed by Jidong Cement.

- (iii) The supervisory committee of the JV Company shall comprise three supervisors. Each of the Company, Jidong Cement and the employees of the JV Company shall be entitled to appoint one supervisor.
- (iv) The chairman of the supervisory committee of the JV Company shall be chaired by the supervisor appointed by the Company.

Transfer restrictions: Each of Jidong Cement and the Company shall only be entitled to transfer its respective equity interests in the JV Company with the prior written consent of the other party, and the other party, under the same conditions, shall have the right of first refusal to purchase the equity interests.

Special arrangement: The parties agree that in the event the Company no longer has effective control over Jidong Cement, the Company shall be entitled to exercise the following interests protection measures within three months subsequent to the occurrence of such event to ensure that the Company actually has effective control over the JV Company and fulfills the requirement to consolidate the JV Company in the Company's financial statements. The Company may implement the following measures, including but not limited to:

- (i) unilaterally contributing to the capital of the JV Company in cash or being transferred part of the equity interests in the JV Company held by Jidong Cement with reference to the then appraised value of the JV Company on the benchmark date (i.e. the last day of the latest quarter) to the effect that, subsequent to such capital increase or equity transfer, the equity interests held by the Company in the JV Company will be not less than 51%;
- (ii) purchasing all the assets of the JV Company at the then appraised value of the JV Company on the benchmark date (i.e. the last day of the latest quarter); and
- (iii) amending the articles of association and adjusting the board composition of the JV Company to the effect that the majority of the board members shall be appointed by the Company.

Effectiveness: The Framework Agreement will take effect upon approval by the Board meeting and the meeting of board of directors of Jidong Cement.

Upon the approval of the Framework Agreement, the Company and Jidong Cement shall, in accordance with the Framework Agreement, draft the joint venture contract and the articles of association of the JV Company. Such contract and articles of association of the JV Company shall take effect upon (a) approval by the Board meeting and the Shareholders' meeting (if applicable); (b) approval by the meeting of board of directors and shareholders' meeting of Jidong Cement; and (c) the authorization or approval of the New Restructuring by competent authorities including stock exchanges and CSRC.

New Entrustment Agreement

Under the Framework Agreement, not all of the cement companies of the Group will be injected into the JV Company through the New Restructuring, since such companies are required to fulfil the requirements for new listing by CSRC pursuant to the "Administrative Measures for the Major Asset Restructuring of Listed Companies" (《上市公司重大資產重組管理辦法》).

Therefore, in respect of the cement companies which will not be injected into the JV Company through the New Restructuring, on 28 December 2017, the Company and Jidong Cement entered into the New Entrustment Agreement, the principal terms of which are as follows:

Date: 28 December 2017

Parties: (a) the Company; and
(b) Jidong Cement

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

Entrusted Companies: The list of the Entrusted Companies is set out below:

No.	Name of Entrusted Company	Shareholding held by the Company (%)
1	Beijing BBMG Liushui Environmental Protection Technology Co., Ltd. (北京金隅琉水環保科技有限公司)	100.00%

No.	Name of Entrusted Company	Shareholding held by the Company (%)
2	Tianjin Zhenxing Cement Co., Ltd. (天津振興水泥有限公司)	62.09%
3	Zanhuang BBMG Cement Co., Ltd. (贊皇金隅水泥有限公司)	100.00%
4	Baoding Taihang Heyi Cement Co., Ltd. (保定太行和益水泥有限公司)	75.00%
5	Handan Shexian BBMG Cement Co., Ltd. (邯鄲涉縣金隅水泥有限公司)	91.00%
6	Zhangjiakou BBMG Cement Co., Ltd. (張家口金隅水泥有限公司)	100.00%
7	Xuanhua BBMG Cement Co., Ltd. (宣化金隅水泥有限公司)	65.00%
8	Xingtai BBMG Yongning Cement Co., Ltd. (邢台金隅詠寧水泥有限公司)	60.00%
9	Qinyang BBMG Cement Co., Ltd. (沁陽市金隅水泥有限公司)	86.60%
10	Lanxian BBMG Cement Co., Ltd. (嵐縣金隅水泥有限公司)	80.00%
11	Lingchuan BBMG Cement Co., Ltd. (陵川金隅水泥有限公司)	100.00%
12	Zuoquan BBMG Cement Co., Ltd. (左權金隅水泥有限公司)	100.00%
13	Zhuolu BBMG Cement Co., Ltd. (涿鹿金隅水泥有限公司)	100.00%
14	Hebei Taihang Huaxin Building Materials Co. Ltd. (河北太行華信建材有限責任公司)	100.00%

Entrustment Fees:

The Company will pay a total of RMB5,000,000 per annum as entrustment fees to Jidong Cement for the entrustment of the Entrusted Companies. The entrustment fees were determined based on normal commercial terms and after arm's length negotiations between Jidong Cement and the Company, with reference to the management and operation costs of Jidong Cement in managing and operating the Entrusted Companies and market practices adopted by A share listed companies.

Effectiveness:

The New Entrustment Agreement shall take effect upon the approval of the New Restructuring by CSRC.

Non-Competition Agreement

On 28 December 2017, the Company and Jidong Cement also entered into the Non-Competition Agreement, the principal terms of which are set out below:

Date: 28 December 2017

Parties: (a) the Company; and
(b) Jidong Cement

Subject matter: In order to solve the issues of competing business between the Company and Jidong Cement, the Company shall entrust all the equity interests in the Entrusted Companies to Jidong Cement upon the establishment of the JV Company.

The Company and Jidong Cement further agree to, within three years after the establishment of the JV Company, inject the entrusted equity interests of the Entrusted Companies into the JV Company or Jidong Cement through capital increase, sale of equity interests or other means permitted under applicable laws and regulations.

Effectiveness: The Non-Competition Agreement shall take effect upon the approval of the establishment of the JV Company by CSRC.

NOTIFIABLE TRANSACTION – ACQUISITION OF MINORITY INTERESTS IN SUBSIDIARY

BBMG Mangrove is proposed to be one of the Injected Companies the equity interests of which will be injected by the Company into the JV Company upon its establishment. As at the date of this announcement, BBMG Mangrove is held as to 51.0% by the Company and 49.0% by five other minority shareholders. To facilitate the injection of 100% equity interests of BBMG Mangrove to the JV Company, on 28 December 2017, the Company entered into the Equity Transfer Agreements with the Vendors to purchase the remaining equity interests in BBMG Mangrove.

Equity Transfer Agreements

The principal terms of the First Equity Transfer Agreement are set forth below:

Date: 28 December 2017

Parties: (a) the Company, as purchaser; and
(b) the First Vendor and the Second Vendor, as vendors

Subject Matter: The First Vendor and the Second Vendor shall sell, and the Company shall purchase, 25.9% and 2.97% equity interests in BBMG Mangrove, respectively.

Consideration: Consideration shall be determined based on the valuation result of the equity interests of BBMG Mangrove as determined by an independent valuer using 30 September 2017 as the valuation date, and subject to approval and filing procedures of competent state administration of asset authorities.

The parties agreed that if the valuation result of the equity interests held by the First Vendor does not exceed RMB946,499,100, and the valuation result of the equity interests held by the Second Vendor does not exceed RMB108,536,800, the consideration for the transfer of the equity interests held by the First Vendor and the Second Vendor shall be RMB946,499,100 and RMB108,536,800, respectively. If the valuation result of the equity interests held by the First Vendor exceeds RMB946,499,100, and the valuation result of the equity interest held by the Second Vendor exceeds RMB108,536,800, the consideration for transfer of the equity interests held by the First Vendor and the Second Vendor shall be the valuation result of their respective equity interest.

Payment of consideration: The consideration shall be payable in cash in RMB. Subject to the conditions under the First Equity Transfer Agreement, the Company or its nominee shall prepay to the First Vendor and the Second Vendor the amount of RMB546,661,460 and RMB62,686,680, respectively, by 31 December 2017.

Upon the completion of the approval and filing of the valuation result with competent state administration of asset authorities, the Company or its nominee shall pay to the First Vendor and the Second Vendor the remainder of the consideration payable by 30 June 2018.

Dividend payment: The parties agreed to procure the management of BBMG Mangrove to complete the distribution of dividend to its shareholders by 31 December 2017, of which the First Vendor shall be entitled to a dividend of RMB53,095,000 and the Second Vendor shall be entitled to a dividend of RMB6,088,500.

Profit and loss during transition period: Except for the dividend right as stated above, the profit or loss of the relevant equity interests in BBMG Mangrove during the period from 30 September 2017 to the completion of the transfer of the equity interests under the First Equity Transfer Agreement shall be borne by the Company.

The principal terms of the Second Equity Transfer Agreement are set forth below:

Date: 28 December 2017

Parties: (a) the Company, as purchaser;
(b) the Third Vendor, the Fourth Vendor and the Fifth Vendor, as vendors

Subject matter: The Third Vendor, the Fourth Vendor and the Fifth Vendor shall sell, and the Company shall purchase, 12.93%, 5.05% and 2.15% equity interests in BBMG Mangrove, respectively.

Consideration: Consideration shall be determined based on the valuation result of the equity interests of BBMG Mangrove as determined by an independent valuer using 30 September 2017 as the valuation date, and subject to approval and filing procedures of competent state administration of asset authorities.

The parties agreed that if the valuation result of the equity interests held by the Third Vendor, the Fourth Vendor and the Fifth Vendor does not exceed RMB447,493,500, RMB174,640,378 and RMB74,592,500, respectively, the consideration for the transfer of the equity interests held by the Third Vendor, the Fourth Vendor and the Fifth Vendor shall be RMB447,493,500, RMB174,640,378 and RMB74,592,500, respectively.

If the valuation result of the equity interests held by the Third Vendor, the Fourth Vendor and the Fifth Vendor exceeds RMB447,493,500, RMB174,640,378 and RMB74,592,500, respectively, the consideration for the transfer of the equity interests held by the Third Vendor, the Fourth Vendor and the Fifth Vendor shall be the valuation result of their respective equity interest.

Payment of consideration: The consideration shall be payable in cash in RMB. Subject to the conditions under the Second Equity Transfer Agreement, the Company or its nominee shall prepay to the Third Vendor, the Fourth Vendor and the Fifth Vendor the amount of RMB134,248,050, RMB52,392,113.4 and RMB22,377,750, respectively, by 31 December 2017.

Upon the completion of the approval and filing of the valuation result with competent state administration of asset authorities, the Company or its nominee shall pay to the Third Vendor, the Fourth Vendor and the Fifth Vendor the remainder of the consideration payable by 30 June 2018.

Dividend payment: The parties agreed to procure management of BBMG Mangrove to complete the distribution of dividend to its shareholders by 31 December 2017, of which the Third Vendor, the Fourth Vendor and the Fifth Vendor shall be entitled to a dividend of RMB26,506,500, RMB10,352,500 and RMB4,407,500 respectively.

Profit and loss during transition period: Except for the dividend right as stated above, the profit or loss of the relevant equity interests in BBMG Mangrove during the period from 30 September 2017 to the completion of the transfer of the equity interests under the Second Equity Transfer Agreement shall be borne by the Company.

INFORMATION ON PARTIES TO THE TRANSACTION AGREEMENTS AND THE EQUITY TRANSFER AGREEMENTS

Information on the Group

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.

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 30.0% and is a non-wholly owned subsidiary of Jidong Development. Its financial statements are consolidated into the financial statements of Jidong Development. Jidong Development is in turn held by the Company as to 55.0%, and is a non-wholly subsidiary of the Company. The principal businesses of Jidong Cement are the manufacturing and sale of cement, clinker and concrete.

Information on the First Vendor

The First Vendor is a limited liability partnership established in the PRC. Its principal business is asset management, investment management and investment consultation.

Information on the Second Vendor

The Second Vendor is a limited liability partnership established in the PRC. Its principal business is investment management, project investment, asset management (excluding financial assets) and investment consultation.

Information on the Third Vendor

The Third Vendor is a company established in the PRC with limited liability. Its principal business is the management of distressed assets, investment and asset management, as well as financial services.

Information on the Fourth Vendor

The Fourth Vendor is a company established in the PRC with limited liability. Its principal business is international economic information consultation and investment management consultation.

Information on the Fifth Vendor

The Fifth Vendor is a company established in the PRC with limited liability. Its principal business is equity investment.

To the best knowledge, information and belief of the Directors and after making reasonable enquiries, save as disclosed above, each of Jidong Cement, the Vendors and their 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.

INFORMATION ON THE INJECTED COMPANIES

Principal business of the Injected Companies

Each of the Injected Companies is established in the PRC with limited liability, and their principal businesses are set forth below:

No.	Injected Company	Principal business
1	Beijing BBMG Cement Trading Co., Ltd. (北京金隅水泥經貿有限公司)	Sale of cement and cement clinker
2	Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司)	Manufacturing and sale of cement and cement clinker
3	Handan BBMG Taihang Cement Co., Ltd. (邯鄲金隅太行水泥有限責任公司)	Manufacturing and sale of cement and cement clinker
4	Quyong BBMG Cement Co., Ltd. (曲陽金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
5	Chengde BBMG Cement Co., Ltd. (承德金隅水泥有限責任公司)	Manufacturing and sale of cement and cement clinker
6	Guangling BBMG Cement Co., Ltd. (廣靈金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
7	Boai BBMG Cement Co., Ltd. (博愛金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
8	Siping BBMG Cement Co., Ltd. (四平金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
9	BBMG Mangrove	Manufacture and sale of cement and cement clinker, innocuous treatment of industrial wastes, remediation and final treatment of contaminated soil
10	Beijing BBMG Cement Energy Saving Technology Co., Ltd. (北京金隅水泥節能科技有限公司)	Manufacture and sale of concrete admixtures and cement grinding aids, etc.

Preliminary Valuation of the Injected Companies

Pan-China Assets Appraisal Co., Ltd. (天健興業資產評估有限公司), an independent valuer, adopted the asset-based approach and income-based approach in making preliminary valuation of the Injected Companies, and finally selected the asset-based approach as the basis for valuation. According to the preliminary valuation results prepared by the independent valuer using 30 September 2017 as the valuation date, the preliminary appraised values of the Injected Companies are set forth below:

Injected Companies to be contributed by the Company

		<i>RMB'000</i>			
No.	Equity interests of Injected Company	Book value	Preliminary	Estimated	% of
		of net asset	appraised	premium	Premium
		A	value	C=B-A	D=C/A*100%
			B		
1	100% equity interest of Beijing BBMG Cement Trading Co., Ltd. (北京金隅水泥經貿有限公司)	512,236.50	516,815.10	4,578.60	0.89%
2	100% equity interest of Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司)	1,815,900.90	2,250,067.60	434,166.70	23.91%
3	92.63% equity interest of Handan BBMG Taihang Cement Co., Ltd. (邯鄲金隅太行水泥有限責任公司)	929,396.07	1,065,260.30	135,864.22	14.62%
4	90.00% equity interest of Quyang BBMG Cement Co., Ltd. (曲陽金隅水泥有限公司)	347,174.64	361,958.00	14,783.40	4.26%
5	85.00% equity interest of Chengde BBMG Cement Co., Ltd. (承德金隅水泥有限責任公司)	419,790.35	438,613.90	18,823.51	4.48%
6	100% equity interest of Guangling BBMG Cement Co., Ltd. (廣靈金隅水泥有限公司)	404,866.50	386,944.90	(17,921.60)	(4.43%)
7	95.00% equity interest of Boai BBMG Cement Co., Ltd. (博愛金隅水泥有限公司)	318,004.43	418,497.10	100,492.71	31.60%
8	52.00% equity interest of Siping BBMG Cement Co., Ltd. (四平金隅水泥有限公司)	138,642.35	143,542.20	4,899.86	3.53%
9	51.00% equity interest of BBMG Mangrove	1,270,771.03	1,777,441.20	506,670.21	39.87%
10	100.00% equity interest of Beijing BBMG Cement Energy Saving Technology Co., Ltd. (北京金隅水泥節能科技有限公司)	91,528.90	102,356.00	10,827.10	11.83%
Total		6,248,311.66	7,461,496.10	1,213,184.44	19.42%

Injected Companies to be contributed by Jidong Cement

		<i>RMB'000</i>			
No.	Equity interests of Injected Company	Book value	Preliminary	Estimated	% of
		of net asset	appraised	premium	Premium
		A	value	C=B-A	D=C/A*100%
			B		
1	Tangshan Jidong Cement Co., Ltd., Tangshan Branch (唐山冀東水泥股份有限公司唐山分公司)	1,245,209.40	2,070,060.00	824,850.60	66.24%
2	Tangshan Jidong Cement Co., Ltd., Marketing Branch (唐山冀東水泥股份有限公司營銷分公司)	28,557.90	104,500.80	75,942.90	265.93%
3	67.5861% equity interest of Jidong Cement Luan County Co., Ltd. (冀東水泥灤縣有限責任公司)	278,775.77	435,980.76	157,205.00	56.39%
4	100.00% equity interest of Tangshan Jidong Qixin Cement Co., Ltd. (唐山冀東啟新水泥有限責任公司)	322,020.50	387,405.80	65,385.30	20.30%
5	100.00% equity interest of Tangshan Jidong Cement Additive Co., Ltd. (唐山冀東水泥外加劑有限責任公司)	81,735.10	86,423.30	4,688.20	5.74%
6	85.02% equity interest of Tangshan Jidong Cement Sanyou Co., Ltd. (唐山冀東水泥三友有限公司)	306,126.41	394,958.62	88,832.21	29.02%
7	91.00% equity interest of Tianjin Jidong Cement Co., Ltd. (天津冀東水泥有限公司)	81,022.76	138,706.11	57,683.35	71.19%
8	100.00% equity interest of Tang County Jidong Cement Co., Ltd. (唐縣冀東水泥有限責任公司)	443,493.00	497,787.00	54,294.00	12.24%
9	100.00% equity interest of Laishui Jidong Cement Co., Ltd. (涇水冀東水泥有限責任公司)	458,551.70	513,842.70	55,291.00	12.06%
10	100.00% equity interest of Shenzhou Jidong Cement Co., Ltd. (深州冀東水泥有限責任公司)	(39,064.60)	–	–	–
11	59.00% equity interest of Lingshou Jidong Cement Co., Ltd. (靈壽冀東水泥有限責任公司)	132,617.13	122,234.73	(10,382.41)	(7.83%)
12	66.00% equity interest of Zhangjiakou Jidong Cement Co., Ltd. (張家口冀東水泥有限責任公司)	(4,366.82)	–	–	–

		RMB'000			
No.	Equity interests of Injected Company	Book value	Preliminary	Estimated	% of
		of net asset	appraised	premium	Premium
		A	value	C=B-A	D=C/A*100%
			B		
13	100.00% equity interest of Datong Jidong Cement Co., Ltd. (大同冀東水泥有限責任公司)	454,363.20	825,497.40	371,134.20	81.68%
14	60.00% equity interest of Jidong Haitian Cement Wenxi Co., Ltd. (冀東海天水泥聞喜有限責任公司)	272,008.80	395,515.56	123,506.76	45.41%
15	100.00% equity interest of Yangquan Jidong Cement Co., Ltd. (陽泉冀東水泥有限責任公司)	219,222.20	269,435.50	50,213.30	22.91%
16	60.00% equity interest of Shanxi Shuangliang Dingxin Cement Co., Ltd. (山西雙良鼎新水泥有限公司)	288,644.10	270,636.24	(18,007.86)	(6.24%)
17	100.00% equity interest of Chengde Jidong Cement Co., Ltd. (承德冀東水泥有限責任公司)	109,636.50	268,886.49	159,249.99	145.25%
18	100.00% equity interest of Pingquan Jidong Cement Co., Ltd. (平泉冀東水泥有限責任公司)	106,441.60	133,544.86	27,103.26	25.46%
19	69.00% equity interest of Changli Jidong Cement Co., Ltd. (昌黎冀東水泥有限公司)	(38,866.25)	-	-	-
20	100.00% equity interest of Jidong Cement Yongji Co., Ltd. (冀東水泥永吉有限責任公司)	487,772.10	535,384.87	47,612.77	9.76%
21	100.00% equity interest of Jidong Cement Panshi Co., Ltd. (冀東水泥磐石有限責任公司)	524,811.20	701,434.30	176,623.10	33.65%
22	100.00% equity interest of Jidong Cement Fuyu Co., Ltd. (冀東水泥扶餘有限責任公司)	68,839.20	120,022.68	51,183.48	74.35%
Total		5,827,550.90	8,272,257.80	2,362,409.16	40.54%

Note: The book values of net asset and the preliminary valuations of Shenzhou Jidong Cement Co., Ltd. (深州冀東水泥有限責任公司), Zhangjiakou Jidong Cement Co., Ltd. (張家口冀東水泥有限責任公司) and Changli Jidong Cement Co., Ltd. (昌黎冀東水泥有限公司) are negative. The consideration is nil when Jidong Cement contributes with its equity interests, and accordingly, the appraised value will be nil and the estimated premium and percentage of premium will not be measured.

Key financial information of the Injected Companies

Set forth below is the key financial information of Injected Companies based on the audited financial statements prepared in accordance with the China Accounting Standards for Business Enterprises:

Injected Companies to be contributed by the Company

Name of company	<i>RMB'000</i>					
	Net profit/ (loss) before taxation for the year ended 31 December 2016	Net profit/ (loss) before taxation for the year ended 31 December 2015	Net profit/ (loss) after taxation for the year ended 31 December 2016	Net profit/ (loss) after taxation for the year ended 31 December 2015	Total assets as at 31 December 2016	Net assets as at 31 December 2016
Beijing BBMG Cement Trading Co., Ltd. (北京金隅水泥經貿有限公司)	7,936.30	1,291.28	6,502.88	(3,402.66)	3,454,698.99	485,982.03
Hebei BBMG Dingxin Cement Co., Ltd. (河北金隅鼎鑫水泥有限公司)	45,194.84	934.52	36,097.19	2,575.14	3,180,535.13	1,567,499.04
Handan BBMG Taihang Cement Co., Ltd. (邯鄲金隅太行水泥有限責任 公司)	13,758.60	(1,619.24)	8,186.66	(7,900.34)	2,114,660.92	870,693.55
Quyong BBMG Cement Co., Ltd. (曲陽金隅水泥有限公司)	18,099.18	892.64	11,494.24	557.30	800,797.23	317,531.28
Chengde BBMG Cement Co., Ltd. (承德金隅水泥有限責任公司)	31,627.37	15,215.64	23,555.36	15,215.64	1,225,058.33	443,064.10
Guangling BBMG Cement Co., Ltd. (廣靈金隅水泥有限公司)	17,982.88	82.13	13,435.99	29.94	762,522.09	336,858.68
Boai BBMG Cement Co., Ltd. (博愛金隅水泥有限公司)	11,163.87	(6,839.75)	9,528.16	(6,911.00)	612,835.22	315,523.84
Siping BBMG Cement Co., Ltd. (四平金隅水泥有限公司)	(27,806.70)	(18,901.16)	(27,839.57)	(18,904.34)	468,397.97	269,251.47
BBMG Mangrove	67,731.05	100,414.78	51,341.98	86,443.67	3,444,652.45	2,559,278.97
Beijing BBMG Cement Energy- saving Technology Co., Ltd. (北京 金隅水泥節能科技有限公司)	17,791.50	24,152.60	15,103.60	20,499.42	232,909.88	60,063.82

Injected Companies to be contributed by Jidong Cement

	<i>RMB'000</i>					
Name of company	Net profit/ (loss) before taxation for the year ended 31 December 2016	Net profit/ (loss) before taxation for the year ended 31 December 2015	Net profit/ (loss) after taxation for the year ended 31 December 2016	Net profit/ (loss) after taxation for the year ended 31 December 2015	Total assets as at 31 December 2016	Net assets as at 31 December 2016
Tangshan Jidong Cement Co., Ltd., Tangshan Branch (唐山冀東水泥股 份有限公司唐山分公司)	300,220.52	171,717.27	224,337.58	128,789.92	2,940,189.65	1,207,435.84
Tangshan Jidong Cement Co., Ltd., Marketing Branch (唐山冀東水泥 股份有限公司營銷分公司)	(9,727.92)	(33,414.41)	1,835.92	(33,232.20)	1,275,753.04	67,549.61
Jidong Cement Luan County Co., Ltd. (冀東水泥灤縣有限責任公司)	(31,503.27)	(82,728.38)	(25,416.75)	(64,532.74)	1,014,164.24	403,512.19
Tangshan Jidong Qixin Cement Co., Ltd. (唐山冀東啟新水泥有限責任 公司)	16,835.89	10,648.86	11,509.48	6,564.18	764,677.60	302,862.56
Tangshan Jidong Cement Additive Co., Ltd. (唐山冀東水泥外加劑有 限責任公司)	41,261.84	36,007.96	30,917.84	26,851.96	154,213.05	98,871.27
Tangshan Jidong Cement Sanyou Co., Ltd. (唐山冀東水泥三友有限 公司)	(458.36)	(60,706.82)	(13,194.17)	(45,198.44)	751,633.62	325,882.27
Tianjin Jidong Cement Co., Ltd. (天 津冀東水泥有限公司)	4,689.97	761.84	3,626.12	(272.10)	198,481.76	85,815.37
Tang County Jidong Cement Co., Ltd. (唐縣冀東水泥有限責任公司)	74,414.31	4,071.19	54,450.42	1,882.31	823,601.10	367,648.79
Laishui Jidong Cement Co., Ltd. (涞 水冀東水泥有限責任公司)	34,815.16	(22,399.78)	26,360.09	(15,216.28)	1,070,166.22	394,143.43
Shenzhou Jidong Cement Co., Ltd. (深州冀東水泥有限責任公司)	(13,219.56)	(17,586.96)	(13,219.56)	(17,586.96)	72,180.26	(38,136.78)
Lingshou Jidong Cement Co., Ltd. (靈壽冀東水泥有限責任公司)	(55,238.46)	(76,076.81)	(55,238.46)	(98,848.08)	774,839.77	220,944.80
Zhangjiakou Jidong Cement Co., Ltd. (張家口冀東水泥有限責任公司)	(8,666.29)	(27,484.58)	92.64	(32,529.75)	204,592.98	15,787.97
Datong Jidong Cement Co., Ltd. (大 同冀東水泥有限責任公司)	1,114.02	(155,412.54)	(58,385.69)	(116,252.37)	1,169,206.79	381,960.90

RMB'000

Name of company	Net profit/ (loss) before taxation for the year ended 31 December 2016	Net profit/ (loss) before taxation for the year ended 31 December 2015	Net profit/ (loss) after taxation for the year ended 31 December 2016	Net profit/ (loss) after taxation for the year ended 31 December 2015	Total assets as at 31 December 2016	Net assets as at 31 December 2016
Jidong Haitian Cement Wenxi Co., Ltd. (冀東海天水泥聞喜有限責任 公司)	(4,067.42)	(55,084.84)	(5,361.80)	(41,029.29)	759,574.95	426,479.13
Yangquan Jidong Cement Co., Ltd. (陽泉冀東水泥有限責任公司)	(8,009.67)	(111,165.20)	(8,009.67)	(150,973.02)	1,089,048.56	190,081.51
Shanxi Shuangliang Dingxin Cement Co., Ltd. (山西雙良鼎新水泥有限 公司)	1,174.38	(24,259.99)	289.76	(18,780.44)	510,849.69	477,080.07
Chengde Jidong Cement Co., Ltd. (承德冀東水泥有限責任公司)	(50,564.81)	(52,591.17)	(27,254.80)	(64,979.20)	780,412.44	159,288.84
Pingquan Jidong Cement Co., Ltd. (平泉冀東水泥有限責任公司)	(20,793.82)	(60,930.52)	(19,476.72)	(96,452.22)	747,840.49	100,394.64
Changli Jidong Cement Co., Ltd. (昌 黎冀東水泥有限公司)	(42,306.22)	(56,735.27)	(31,502.29)	(77,029.67)	(711,647.62)	(32,173.98)
Jidong Cement Yongji Co., Ltd. (冀 東水泥永吉有限責任公司)	173,068.85	124,426.80	130,014.26	86,743.87	1,213,005.04	514,652.24
Jidong Cement Panshi Co., Ltd. (冀 東水泥磐石有限責任公司)	68,012.48	20,119.32	50,360.39	15,739.19	1,063,132.79	519,392.54
Jidong Cement Fuyu Co., Ltd. (冀東 水泥扶餘有限責任公司)	676.98	(9,877.53)	278.39	(7,851.08)	93,615.83	67,054.03

INFORMATION ON THE ENTRUSTED COMPANIES

Principal business of the Entrusted Companies

Each of the Entrusted Companies is established in the PRC with limited liability, and their principal businesses are as follows:

Name of Company	Principal business
Beijing BBMG Liushui Environmental Protection Technology Co., Ltd. (北京金隅琉水環保科技有限公司)	Collection, storage and disposal of HW18 (residues of incinerating disposal), manufacturing of cement and cogeneration
Tianjin Zhenxing Cement Co., Ltd. (天津振興水泥有限公司)	Manufacturing and sale of cement and cement clinker
Zanhuang BBMG Cement Co., Ltd. (贊皇金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Baoding Taihang Heyi Cement Co., Ltd. (保定太行和益水泥有限公司)	Manufacturing and sale of cement and cement clinker
Handan Shexian BBMG Cement Co., Ltd. (邯鄲涉縣金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Zhangjiakou BBMG Cement Co., Ltd. (張家口金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Xuanhua BBMG Cement Co., Ltd. (宣化金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Xingtai BBMG Yongning Cement Co., Ltd. (邢台金隅詠寧水泥有限公司)	Manufacturing and sale of cement and cement clinker
Qinyang BBMG Cement Co., Ltd. (沁陽市金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Lanxian BBMG Cement Co., Ltd. (嵐縣金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Lingchuan BBMG Cement Co., Ltd. (陵川金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Zuoquan BBMG Cement Co., Ltd. (左權金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Zhuolu BBMG Cement Co., Ltd. (涿鹿金隅水泥有限公司)	Manufacturing and sale of cement and cement clinker
Hebei Taihang Huaxin Building Materials Co. Ltd. (河北太行華信建材有限責任公司)	Exploitation of limestone

Key financial information of Entrusted Companies

Set forth below is the key financial information of Entrusted Companies based on the audited financial statements prepared in accordance with the China Accounting Standards for Business Enterprises:

Name of Company	<i>RMB'000</i>					
	Net profit/ (loss) before taxation for the year ended 31 December 2016	Net profit/ (loss) before taxation for the year ended 31 December 2015	Net profit/ (loss) after taxation for the year ended 31 December 2016	Net profit/ (loss) after taxation for the year ended 31 December 2015	Total assets as at 31 December 2016	Net assets as at 31 December 2016
Beijing BBMG Liushui Environmental Protection Technology Co., Ltd. (北京金隅琉水環保科技有限公司)	101,802.55	(23,663.89)	90,987.42	(23,389.13)	1,457,681.46	791,745.83
Tianjin Zhenxing Cement Co., Ltd. (天津振興水泥有限公司)	1,208.01	(49,647.33)	242.29	(50,580.34)	1,089,778.31	693,767.18
Zanhuang BBMG Cement Co., Ltd. (贊皇金隅水泥有限公司)	10,712.93	(49,299.95)	10,712.93	(48,909.91)	1,625,563.12	753,496.12
Baoding Taihang Heyi Cement Co., Ltd. (保定太行和益水泥有限公司)	15,770.28	(58,112.70)	11,355.71	(51,017.05)	660,722.64	204,328.24
Handan Shexian BBMG Cement Co., Ltd. (邯鄲涉縣金隅水泥有限公司)	(15,961.78)	(40,774.32)	(15,961.78)	(42,048.24)	587,388.32	79,288.98
Zhangjiakou BBMG Cement Co., Ltd. (張家口金隅水泥有限公司)	(25,526.95)	(42,088.21)	(25,526.95)	(42,088.21)	530,142.84	371,020.24
Xuanhua BBMG Cement Co., Ltd. (宣化金隅水泥有限公司)	(35,777.41)	(57,388.52)	(35,777.41)	(57,388.52)	498,607.25	(181,097.47)
Xingtai BBMG Yongning Cement Co., Ltd. (邢台金隅詠寧水泥有限公司)	(8,683.40)	(3,264.44)	(8,683.40)	(3,221.04)	617,122.87	385,590.61
Qinyang BBMG Cement Co., Ltd. (沁陽市金隅水泥有限公司)	(28,952.69)	(27,240.59)	(28,952.69)	(27,473.25)	503,044.80	56,914.94
Lanxian BBMG Cement Co., Ltd. (嵐縣金隅水泥有限公司)	(20,275.13)	(37,402.63)	(20,275.13)	(37,402.63)	320,198.84	60,322.14
Lingchuan BBMG Cement Co., Ltd. (陵川金隅水泥有限公司)	(28,829.83)	(36,971.45)	(28,829.83)	(36,971.45)	516,770.88	224,805.04
Zuoquan BBMG Cement Co., Ltd. (左權金隅水泥有限公司)	(29,589.35)	(64,971.88)	(29,589.35)	(64,971.88)	802,959.60	348,842.90
Zhuolu BBMG Cement Co., Ltd. (涿鹿金隅水泥有限公司)	29,125.36	(31,820.40)	29,125.36	(31,820.40)	841,661.32	417,688.55
Hebei Taihang Huaxin Building Materials Co. Ltd. (河北太行華信建材有限公司)	23,541.53	398.56	17,704.15	398.56	211,531.25	175,392.64

INFORMATION ON BBMG MANGROVE

BBMG Mangrove is a company established in the PRC with limited liability. As at the date of this announcement, it is held as to 51% by the Company and 49% by five other minority shareholders. Upon completion of the Equity Transfer, BBMG Mangrove will be held as to 100% by the Company.

Pan-China Assets Appraisal Co., Ltd. (天健興業資產評估有限公司), an independent valuer, adopted the asset-based approach and income-based approach in conducting the preliminary valuation of BBMG Mangrove, and finally selected the asset-based approach as the basis for valuation. According to the preliminary valuation results prepared by the independent valuer using 30 September 2017 as the valuation date, the preliminary valuation of BBMG Mangrove's net asset is RMB3,485,178,900.

Set forth below is the key financial information of BBMG Mangrove based on the audited financial statements prepared in accordance with the China Accounting Standards for Business Enterprises:

<i>RMB'000</i>					
Net profit before taxation for the year ended 31 December 2016	Net profit before taxation for the year ended 31 December 2015	Net profit after taxation for the year ended 31 December 2016	Net profit after taxation for the year ended 31 December 2015	Total assets as at 31 December 2016	Net assets as at 31 December 2016
67,731.05	100,414.78	51,341.98	86,443.67	3,444,652.45	2,559,278.97

REASONS FOR AND BENEFITS OF THE TRANSACTION AGREEMENTS AND THE EQUITY TRANSFER AGREEMENTS

The Transaction Agreements will be beneficial to the Company in terms of enhancement of access to capital markets to finance the future growth and expansion of business operations. In addition, there will be more defined business focus between the Company and Jidong Cement and an increase in management focus and efficiency in resource allocation. The entering into of the Transaction Agreements can enhance the Company's return on investment as the future returns from the Company's indirect investment in Jidong Cement as a result of the above factors. The Equity Transfer Agreements will allow the Company to acquire the remaining 49% equity interest in BBMG Mangrove, and facilitate the injection of 100% equity interest in BBMG Mangrove to the JV Company.

The transactions under the Transaction Agreements and the Equity Transfer Agreements are not expected to have any material adverse effect on the Company's financial results for the year ending 31 December 2017.

The value of contribution to the JV Company by the Company and Jidong Cement under the Framework Agreement and the consideration payable by the Company to the Vendors under the Equity Transfer Agreements were determined based on arm's length negotiations between the parties and based on the valuation results of the respective equity interests in the target companies as at 30 September 2017 to be conducted by an independent valuer.

The Company will finance the consideration payable under the Equity Transfer Agreements from internal financial resources.

The Board considers that the terms of the Transaction Agreements and the Equity Transfer Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Upon completion of the transactions contemplated under the Transaction Agreements and the Equity Transfer Agreements, each of the Injected Companies, Entrusted Companies and BBMG Mangrove will continue to be subsidiaries of the Company.

LISTING RULES IMPLICATIONS, CIRCULAR AND EXTRAORDINARY GENERAL MEETING

As the final consideration and valuation results of the Injected Companies and BBMG Mangrove have not been finalized and the establishment of the JV Company is subject to the signing of a joint venture agreement and other definitive agreement(s), the type of notifiable transaction applicable to the Company in respect of the establishment of the JV Company and the Equity Transfer could not be confirmed as at the date of this announcement. The Company will comply with the requirements under Chapter 14 of the Listing Rules when relevant details are finalized. An extraordinary general meeting of the Company is proposed to be convened as soon as practicable for the Shareholders to consider and approve, amongst other things, the transactions under the Framework Agreement.

A circular containing, among other things, further details regarding the Transaction Agreements and the transactions contemplated thereby, and other contents as required by the Listing Rules will be despatched to the Shareholders as soon as practicable. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company expects that the circular will be dispatched to the Shareholders on or before 28 February 2018.

WARNING

The Transaction Agreements and the transactions contemplated thereby are subject to, among other things, various regulatory approvals and shareholder approval of Jidong Cement and the Company. The transactions under the Framework Agreement are also subject to the entry of further definitive agreements to be negotiated between the Company and Jidong Cement. The transactions contemplated under the Transaction Agreements and the Equity Transfer Agreements 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

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follow:

“Asset Restructuring”	the transactions contemplated under the Share Issuance and Asset Purchase Agreement, the Original Entrustment Agreement and the Profit Compensation Agreement, the details of which are set out in the Circular
“BBMG Mangrove”	BBMG Mangrove Environment Protection Technology Co., Ltd.* (北京金隅紅樹林環保技術有限責任公司), a company established under the laws of the PRC with limited liability, which is held as to 51% by the Company as at the date of this announcement
“Beijing SASAC”	State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會)
“Board”	the board of directors of the Company
“Circular”	the circular of the Company dated 29 July 2016 in relation to the Original Restructuring
“Company”	北京金隅集團股份有限公司 (BBMG Corporation*), 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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Entrusted Companies”	the subsidiaries of the Company which are proposed to be entrusted to Jidong Cement for management pursuant to the terms of the New Entrustment Agreement, as described in the section headed “New Entrustment Agreement – Entrusted Companies” in this announcement

“Equity Restructuring”	has meaning ascribed thereto in the Circular
“Equity Transfer”	the proposed transfer of the equity interests in BBMG Mangrove from the Vendors to the Company under the Equity Transfer Agreements
“Equity Transfer Agreements”	collectively, the First Equity Transfer Agreement and the Second Equity Transfer Agreement
“First Equity Transfer Agreement”	the equity transfer agreement dated 28 December 2017 entered into by the Company, the First Vendor and the Second Vendor in respect of the transfer of equity interests in BBMG Mangrove
“Fifth Vendor”	Cinda Equity Investment Company Limited* (信達股權投資有限公司)
“First Vendor”	Beijing Equity Interests Investment and Development Center II* (北京股權投資發展中心二期)
“Fourth Vendor”	Huajian International Industrial (Shenzhen) Co., Ltd.* (華建國際實業(深圳)有限公司)
“Framework Agreement”	the framework agreement dated 28 December 2017 entered into between the Company and Jidong Cement in relation to, among other things, the establishment of the JV Company
“Group”	the Company and its subsidiaries
“Injected Companies”	the companies the equity interests of which will be injected into the JV Company by the Company and Jidong Cement pursuant to the Framework Agreement, the details of which are set out in the section headed “Framework Agreement – Injected Companies” of this announcement
“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 (Stock Code: 000401)
“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

“JV Company”	BBMG Jidong Cement (Tangshan) Company Limited* (金隅冀東水泥(唐山)有限責任公司), a joint venture company proposed to be established in the PRC by the Company and Jidong Cement pursuant to the terms of the Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Entrustment Agreement”	the equity entrustment agreement dated 28 December 2017 entered into between the Company and Jidong Cement in respect of the Entrusted Companies
“New Restructuring”	the restructuring involving the Company and Jidong Cement as contemplated under the Transaction Agreements
“Non-Competition Agreement”	the non-competition agreement dated 28 December 2017 entered into between the Company and Jidong Cement
“Original Entrustment Agreement”	the equity entrustment agreement dated 29 June 2016 entered into between the Company and Jidong Cement, details of which are set out in the Circular
“Original Restructuring”	collectively, the Equity Restructuring and the Asset Restructuring
“PRC”	the People’s Republic of China
“Profit Compensation Agreement”	the profit compensation agreement dated 6 July 2016 entered into between the Company and Jidong Cement (as amended by the supplemental agreement dated 12 July 2016), details of which are set out in the Circular
“RMB”	Renminbi, the lawful currency of the PRC
“Second Equity Transfer Agreement”	the equity transfer agreement dated 28 December 2017 entered into by the Company, the Third Vendor, the Fourth Vendor and the Fifth Vendor in respect of the transfer of equity interests in BBMG Mangrove
“Second Vendor”	Beijing Equity Interests Investment and Development Center* (北京股權投資發展中心)
“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, details of which are set out in the Circular

“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Termination Agreement”	the termination agreement dated 28 December 2017 entered into by the Company and Jidong Cement, in relation to the termination of the Share Issuance, the Profit Compensation Agreement and the Original Entrustment Agreement
“Third Vendor”	China Cinda Asset Management Co., Ltd.* (中國信達資產管理股份有限公司)
“Transaction Agreements”	collectively, the Framework Agreement, the New Entrustment Agreement and the Non-Competition Agreement
“Vendors”	collectively, the First Vendor, the Second Vendor, the Third Vendor, the Fourth Vendor and the Fifth Vendor
“%”	per cent

By order of the Board
BBMG Corporation*
Jiang Deyi
Chairman

Beijing, the PRC, 28 December 2017

As at the date of this announcement, the executive directors of the Company are Jiang Deyi, Zeng Jin, Wu Dong and Zheng Baojin; the non-executive directors of the Company are Guo Yanming and Yu Zhongfu; and the independent non-executive directors of the Company are Wang Guangjin, Tian Lihui, Tang Jun and Ngai Wai Fung.