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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)

**INTERNAL RESTRUCTURING
AMALGAMATION AND MERGER AGREEMENT WITH
JIDONG CEMENT AND JV COMPANY**

AMALGAMATION AND MERGER AGREEMENT WITH JIDONG CEMENT AND JV COMPANY

The Board is pleased to announce that on 31 March 2021, after trading hours, the Company entered into the Amalgamation and Merger Agreement with Jidong Cement and the JV Company, pursuant to which, the JV Company will amalgamate and merge with Jidong Cement such that all the assets and liabilities of the JV Company will be consolidated into Jidong Cement upon Completion. The Company anticipates that the JV Company will cease to exist within 1 year after Completion. Jidong Cement will issue the Consideration Shares to the Company in consideration for the 47.09% equity interests directly held by the Company in the JV Company. Upon Completion, the effective equity interests of the Company in Jidong Cement will be approximately 56.58%.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of Amalgamation and Merger Agreement is more than 5% but less than 25%, the entering into of the Merger Agreement will constitute a discloseable transaction of the Company which is subject to the reporting and announcement requirements only under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 31 March 2021, after trading hours, the Company entered into the Amalgamation and Merger Agreement with Jidong Cement and the JV Company, pursuant to which, the JV Company will amalgamate and merge with Jidong Cement such that all the assets and

* For identification purposes only

liabilities of the JV Company will be consolidated into Jidong Cement upon Completion. The Company anticipates that the JV Company will cease to exist within 1 year after Completion. Jidong Cement will issue the Consideration Shares to the Company in consideration for the 47.09% equity interests directly held by the Company in the JV Company. Upon Completion, the effective equity interests of the Company in Jidong Cement will be approximately 56.58%. Set out below are the principal terms of the Amalgamation and Merger Agreement.

AMALGAMATION AND MERGER AGREEMENT

Date: 31 March 2021 (after trading hours)

Parties: (i) The Company;

(ii) Jidong Cement; and

(iii) JV Company.

Subject matter: Pursuant to the Amalgamation and Merger Agreement, the JV Company will amalgamate and merge with Jidong Cement such that all the assets and liabilities of the JV Company will be consolidated into Jidong Cement upon Completion. It is anticipated that the JV Company will cease to exist within 1 year after Completion. Jidong Cement will issue the Consideration Shares to the Company in consideration for the 47.09% equity interests directly held by the Company in the JV Company. Upon Completion, the effective equity interests of the Company in Jidong Cement will be approximately 56.58%.

Conditions precedent: The Amalgamation and Merger Agreement will become effective subject to the fulfillment of, amongst other things, the following conditions precedent:

- (i) the valuation report in respect of the JV Company has obtained approval from Beijing SASAC;
- (ii) the board of directors and shareholders of Jidong Cement have approved the entering into of the Amalgamation and Merger Agreement and the transactions contemplated thereunder;
- (iii) BBMG has obtained all necessary internal approvals for entering into of the Amalgamation and Merger Agreement and the transactions contemplated thereunder;

- (iv) the shareholders of the JV Company having approved the entering into of the Amalgamation and Merger Agreement and the transactions contemplated thereunder;
- (v) Beijing SASAC has given its approval to the Amalgamation and Merger Agreement and the transactions contemplated thereunder; and
- (vi) the China Securities Regulatory Commission has given its approval to the Amalgamation and Merger Agreement and the transactions contemplated thereunder.

Consideration:

Jidong Cement shall issue the Consideration Shares to the Company in respect of the 47.09% equity interests in the JV Company directly held by the Company.

The total number of Consideration Shares to be issued by Jidong Cement shall be calculated by dividing the total value of the 47.09% equity interests held by the Company in the JV Company by the average price of the Consideration Shares.

As at the date of this announcement, the estimated valuation (subject to the approval of Beijing SASAC) of the JV Company is approximately RMB28,950 million, accordingly the estimated value of the 47.09% equity interests of the Company in the JV Company is approximately RMB13,633 million. The average price of the Consideration Shares is RMB13.28 (representing not less than 90% of the average trading price of Jidong Cement on the Shenzhen Stock Exchange for the preceding 60 trading days prior to this announcement). Accordingly, the estimated total number of Consideration Shares to be issued by Jidong Cement will not exceed 1,030 million shares. The Consideration Shares will be applied for listing on the Shenzhen Stock Exchange by Jidong Cement.

Completion:

Completion shall take place on the 60th day after the fulfilment of all the conditions precedent (or any other date agreed between Jidong Cement and the JV Company).

Effect of Completion:

Upon Completion, Jidong Cement will be held directly by the Company and Jidong Development as to 47.21% and 17.03% respectively. The financial statements of Jidong Cement will continue to be consolidated into the financial statements of the Company.

Set out below is the unaudited consolidated net asset value attributable to the shareholders of Jidong Cement (excluding the Company's direct interest of 47.09% in the JV Company) and consolidated unaudited net asset value attributable to the shareholders of the JV Company respectively as at 28 February 2021:

**Unaudited net asset value attributable to the
shareholders of the company as at
28 February 2021
(RMB)**

Jidong Cement	17,711 million
JV Company	25,354 million

Set out below is the audited financial statements of Jidong Cement for the two years ended 31 December 2020 respectively prepared in accordance with Accounting Standards for Business Enterprises (《企業會計準則》):

	For the year ended 31 December 2020 (RMB)	For the year ended 31 December 2019 (RMB)
Profit before tax	6,753 million	6,254 million
Profit after tax	5,184 million	4,905 million

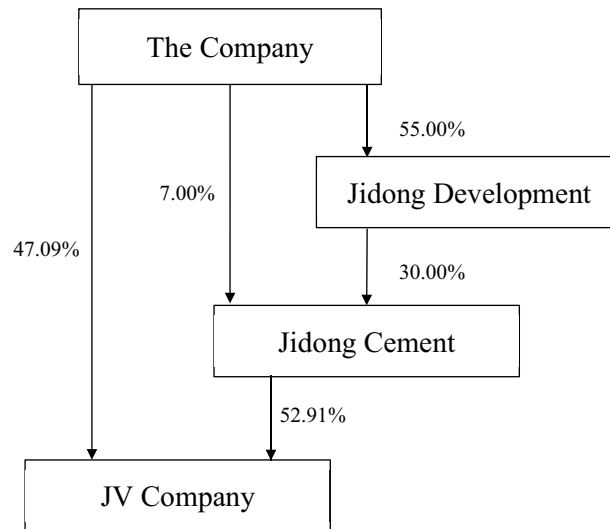
Set out below is the audited financial statements of the JV Company for the two years ended 31 December 2020 respectively prepared in accordance with Accounting Standards for Business Enterprises (《企業會計準則》):

	For the year ended 31 December 2020 (RMB)	For the year ended 31 December 2019 (RMB)
Profit before tax	5,728 million	5,503 million
Profit after tax	4,490 million	4,241 million

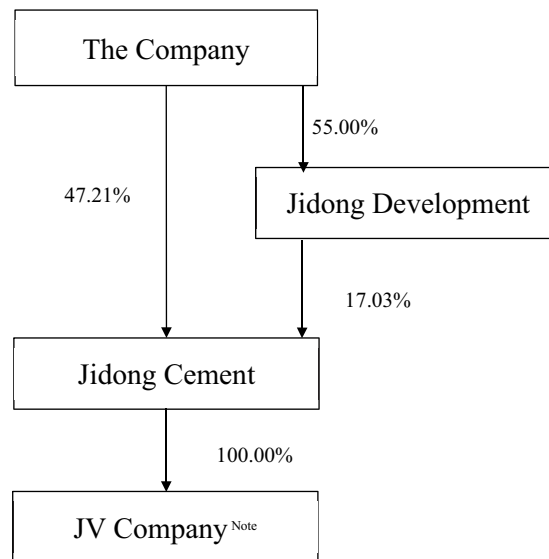
CHANGE IN SHAREHOLDING STRUCTURE BEFORE AND AFTER THE INTERNAL RESTRUCTURING

Set out below are two diagrams depicting the shareholding structure in respect of the Company, Jidong Cement and the JV Company before and after Completion:

Before Completion



After Completion



Note: the JV Company will amalgamate and merge with Jidong Cement such that all the assets and liabilities of the JV Company will be consolidated into Jidong Cement upon Completion. The Company anticipates that the JV Company will cease to exist within 1 year after Completion.

INFORMATION ON PARTIES TO THE AMALGAMATION AND MERGER AGREEMENT

Information on the Company

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 directly held by the Company and Jidong Development as to 7.0% and 30.0% respectively. Jidong Cement 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 directly held by the Company as to 55.0%, and is a non-wholly owned subsidiary of the Company. The principal businesses of Jidong Cement are the manufacturing and sale of cement and clinker. The financial statements of the JV Company account for approximately 69.30%, 79.23% and 84.83% of the total assets, operating revenue and total profit of Jidong Cement for the year ended 31 December 2020 and those financial statements are consolidated into the financial statements of the Company.

Information on the JV Company

The JV Company is a joint venture company established under the laws of the PRC. As at the date of this announcement, it is directly held as to 47.09% and 52.91% by the Company and Jidong Cement respectively. The principal businesses of the JV Company are the manufacturing and sale of cement and clinker. The financial results and financial position of the JV Company are consolidated into those of Jidong Cement and are, in turn, consolidated into the financial statements of the Company.

REASONS AND BENEFITS OF THE AMALGAMATION AND MERGER AGREEMENT

The entering into of the Amalgamation and Merger Agreement will further strengthen the controlling position of the Company in Jidong Cement and reduce unnecessary shareholding levels and increase the management effectiveness of both the Company and Jidong Cement. Upon Completion, the core competitiveness Jidong Cement and profit sustainability of Jidong Cement can be further enhanced and thus be beneficial to the Company having Jidong Cement as a cement platform at a subsidiary level to expand and further enhance its position with quality. The transactions contemplated under the Amalgamation and Merger Agreement are not expected to have any material adverse effect on the Company's operating results.

The consideration was determined based on arm's length negotiations between the parties and will be based on the valuation results of the JV Company rendered by an independent valuer which is subject to the approval of Beijing SASAC. The Board considers that the terms of the Amalgamation and Merger Agreement are fair and reasonable and are in the interests of the Shareholders as whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of Amalgamation and Merger Agreement is more than 5% but less than 25%, the entering into of the Merger Agreement will constitute a discloseable transaction of the Company which is subject to the reporting and announcement requirements only under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Amalgamation and Merger Agreement”	the amalgamation and merger agreement dated 31 March 2021 entered into between the Company, Jidong Cement and the JV Company;
“Board”	the board of directors of the Company;
“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);
“Company”	BBMG Corporation* (北京金隅集團股份有限公司), 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);
“Consideration Shares”	the shares to be issued by Jidong Cement pursuant to the Amalgamation and Merger Agreement in consideration for the 47.09% equity interests in the JV Company directly held by the Company;
“Completion”	completion of the transactions contemplated under the Amalgamation and Merger Agreement, including but not limited to, the issue of Consideration Shares by Jidong Cement to the Company and the amalgamation and merger between Jidong Cement and the JV Company;

“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 and owned directly as to 55% by the Company as at the date of this announcement;
“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 established under the laws of the PRC owned directly as to 47.09% and 52.91% by the Company and Jidong Cement respectively as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

By order of the Board
BBMG*
Zeng Jin
Chairman

Beijing, the PRC
31 March 2021

As at the date of this announcement, the executive directors of the Company are Zeng Jin, Jiang Yingwu, Wu Dong and Zheng Baojin; the non-executive directors of the Company are Wang Zhaojia and Xue Chunlei; and the independent non-executive directors of the Company are Wang Guangjin, Tian Lihui, Tang Jun and Ngai Wai Fung.

* *English translation denotes for identification purposes only*