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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

2010 ANNUAL RESULTS HIGHLIGHTS

- Revenue of RMB21,997.7 million, increased by 65.8% from 2009
- Gross profit of RMB5,092.3 million, increased by 50.1% from 2009
- Net profit of RMB2,951.4 million, increased by 47.9% from 2009
- Net profit attributable to owners of the Company of RMB2,716.3 million, increased by 42.5% from 2009
- Core net profit attributable to owners of the Company (excluding the after tax net fair value gains on investment property) was RMB2,164.9 million, increased by RMB781.4 million from 2009 representing an increase of 56.5%
- Basic earnings per share attributable to ordinary equity holders of the Company was RMB0.70
- The Board proposed a final dividend of RMB0.07 per share or RMB299.9 million calculated based on the total number of shares in issue as at the date of this announcement for the year ended 31 December 2010

ANNUAL RESULTS

The Board of Directors (the "Board") of BBMG Corporation* (the "Company") is pleased to present the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2010 (the "reporting period") together with the comparative figures for the year of 2009 (restated). These results have been reviewed by the Audit Committee of the Company (the "Audit Committee").

* *for identification purposes only*

RESULTS OF OPERATIONS

For the year ended 31 December 2010, the Group achieved a profit attributable to owners of the Company of approximately RMB2,716.3 million, representing an increase of approximately 42.5% over the last year; basic earnings per share was approximately RMB0.70 (year ended 31 December 2009: RMB0.59 (restated)), representing an increase of RMB0.11 over the last year; net asset value was approximately RMB18,056.3 million as at the end of the reporting period, representing a decrease of approximately RMB462.2 million at the beginning of the reporting period; and net asset value per share as at the end of the reporting period was approximately RMB4.66, representing a decrease of approximately RMB0.12 at the beginning of the reporting period.

FINAL DIVIDEND

The Board recommends a final dividend of RMB0.07 per share for the year ended 31 December 2010 (year ended 31 December 2009: RMB0.07), amounting to RMB299.9 million as calculated based on the total number of A shares and H shares of the Company in issue as at the date of this announcement (year ended 31 December 2009: RMB271.1 million).

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2010	2009
	Notes	***RMB'000***	*RMB'000*
			(Restated)
REVENUE	*4*	**21,997,718**	13,270,696
Cost of sales		**(16,905,378)**	(9,876,974)
Gross profit		**5,092,340**	3,393,722
Other income and gains	*4*	**1,367,318**	741,259
Fair value gains on investment properties, net		**735,174**	696,572
Selling and distribution costs		**(855,715)**	(566,352)
Administrative expenses		**(1,562,170)**	(1,234,216)
Other expenses		**(202,011)**	(88,007)
Finance costs	*6*	**(360,831)**	(234,448)
Share of profits and losses of:			
Jointly-controlled entities		**(14,435)**	49,314
Associates		**(7,597)**	16,156
PROFIT BEFORE TAX	*5*	**4,192,073**	2,774,000
Income tax expense	*7*	**(1,240,696)**	(778,337)
PROFIT FOR THE YEAR		**2,951,377**	1,995,663
Attributable to:			
Owners of the Company		**2,716,292**	1,905,930
Non-controlling interests		**235,085**	89,733
		2,951,377	1,995,663
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	*8*	**RMB0.70**	RMB0.59

Details of the dividends proposed for the year are disclosed in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2010	2009
	RMB'000	*RMB'000*
		(Restated)
PROFIT FOR THE YEAR	**2,951,377**	1,995,663
OTHER COMPREHENSIVE INCOME		
Available-for-sale investments:		
Changes in fair value	**(92)**	3,113
Reclassification for gain on disposal	**(6,677)**	–
Income tax effect	**1,692**	(778)
	(5,077)	2,335
Gain on property revaluation	**95,765**	–
Income tax effect	**(23,941)**	–
	71,824	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**66,747**	2,335
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**3,018,124**	1,997,998
Attributable to:		
Owners of the Company	**2,783,057**	1,908,265
Non-controlling interests	**235,067**	89,733
	3,018,124	1,997,998

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2010 RMB'000	As at 31 December 2009 RMB'000 (Restated)	As at 1 January 2009 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**13,840,581**	9,024,237	5,145,838
Investment properties		**9,762,200**	8,958,585	8,141,407
Land use rights		**2,570,479**	1,959,394	1,537,655
Goodwill		**313,559**	257,283	99,171
Other intangible assets		**36,316**	27,452	22,345
Mining rights		**181,990**	176,039	89,828
Investments in jointly – controlled entities		**221,559**	241,325	260,276
Investments in associates		**312,645**	325,827	817,209
Available-for-sale investments		**21,351**	33,877	19,123
Deferred tax assets		**523,337**	340,466	134,143
Total non-current assets		**27,784,017**	21,344,485	16,266,995
CURRENT ASSETS				
Inventories		**20,990,556**	10,710,861	8,747,057
Trade and bills receivables	*10*	**3,252,984**	2,122,511	1,166,906
Prepayments, deposits and other receivables		**3,723,597**	2,794,338	2,008,633
Tax recoverable		**13,412**	20,412	20,953
Restricted cash		**256,531**	161,856	144,266
Cash and cash equivalents		**5,025,398**	6,266,643	2,109,592
Non-current assets held for sale		**–**	155,962	–
Total current assets		**33,262,478**	22,232,583	14,197,407
CURRENT LIABILITIES				
Trade and bills payables	*11*	**4,418,759**	2,763,291	2,277,095
Other payables and accruals		**12,715,642**	8,811,014	8,123,659
Dividend payable		**8,213**	–	19,057
Interest-bearing bank loans		**9,328,818**	3,372,400	5,768,500
Taxes payable		**1,251,094**	729,705	388,831
Provision for supplementary pension subsidies and early retirement benefits		**42,649**	42,156	45,761
Total current liabilities		**27,765,175**	15,718,566	16,622,903

	Notes	**As at 31 December 2010** *RMB'000*	As at 31 December 2009 *RMB'000* (Restated)	As at 1 January 2009 *RMB'000* (Restated)
NET CURRENT ASSETS/ (LIABILITIES)		**5,497,303**	6,514,017	(2,425,496)
TOTAL ASSETS LESS CURRENT LIABILITIES		**33,281,320**	27,858,502	13,841,499
NON-CURRENT LIABILITIES				
Interest-bearing bank loans		**7,570,445**	4,778,361	2,328,950
Corporate bonds and notes	*12*	**4,684,792**	1,879,184	–
Deferred tax liabilities		**1,602,594**	1,306,282	1,017,704
Provision for supplementary pension subsidies and early retirement benefits		**540,533**	562,841	558,328
Deferred income		**686,380**	672,999	633,968
Other non-current liabilities		**140,292**	140,292	240,831
Total non-current liabilities		**15,225,036**	9,339,959	4,779,781
Net assets		**18,056,284**	18,518,543	9,061,718
EQUITY				
Equity attributable to owners of the Company				
Issued capital		**3,873,333**	3,873,333	2,800,000
Reserves		**12,001,043**	12,504,228	5,300,519
Proposed final dividend		**299,862**	271,133	112,000
		16,174,238	16,648,694	8,212,519
Non-controlling interests		**1,882,046**	1,869,849	849,199
Total equity		**18,056,284**	18,518,543	9,061,718

NOTES:

1. CORPORATE INFORMATION

BBMG Corporation (the "Company") was established in the People's Republic of China (the "PRC") on 22 December 2005 as a joint stock company with limited liability. The registered office of the Company is located at No. 36, North Third Ring East Road, Dong Cheng District, Beijing, the PRC.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacture and sale of cement and modern building materials, property development, property investment, and provision of property management services.

The H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 29 July 2009. Pursuant to the A share issue and the merger proposal announced by the Company on 6 July 2010 and approved by the shareholders of the Company on 14 September 2010, the A shares of the Company were listed on the Shanghai Stock Exchange on 1 March 2011. In the opinion of the directors of the Company, the ultimate holding company of the Company is BBMG Group Company Limited (the "Parent"), a state-owned enterprise administrated by the State-owned Assets Supervision and Administration Commission of the Beijing Municipal Government (the "Beijing SASAC").

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements have been prepared under the historical cost convention, except for investment properties and certain equity investments, which have been measured at fair value. Non-current assets held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2010. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

The acquisitions of subsidiaries not under common control have been accounted for using the purchase method of accounting. This method of accounting involves allocating the cost of a business combination to the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of acquisition is measured at the aggregate fair value of the assets given and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Under the purchase method of accounting, the results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The acquisitions of subsidiaries under common control have been accounted for using the merger method of accounting. The merger method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party. The net assets of the combining entities or business are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or the excess of the acquirers' interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control combination. The consolidated income statement includes the result of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*

HKFRS 5 Amendments included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*
Improvements to HKFRSs 2009	Amendments to a number of HKFRSs issued in May 2009
HK Interpretation 4 Amendment	Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK Interpretation 5	*Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The principal effects of adopting these new and revised HKFRSs are as follows:

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKFRS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will they give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The amendments to HKFRS 5 clarify that all assets and liabilities of a subsidiary shall be classified as held for sale if an entity has a sale plan involving loss of control of the subsidiary, regardless of whether the entity will retain non-controlling interests.

Adoption of these new and revised HKFRSs did not have any material effect on the financial position or performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters* [2]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates For First-time Adopters* [4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [4]
HKFRS 9	Financial Instruments [6]

HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [5]
HKAS 24 (Revised)	Related Party Disclosures [3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* [1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement* [3]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments* [2]

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2010 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 3 and HKAS 27 are effective for annual periods beginning on or after 1 July 2010, whereas the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC)-Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 February 2010
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 July 2011
5 Effective for annual periods beginning on or after 1 January 2012
6 Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the results and the financial position of the Group except for the adoption of the *Amendment to HKFRS 1 – First-time adoption of HKFRSs*.

The amendment allows first-time adopters to use an event-driven fair value as deemed cost, even if the event occurs after the date of transition, but before the first HKFRS financial statements are issued. When such remeasurement occurs after the date of transition to HKFRS, but during the period covered by its first HKFRS financial statements, the adjustment is recognised directly in retained profits (or if appropriate, another category of equity). Entities that adopted HKFRSs in previous periods are permitted to apply the amendment retrospectively in the first annual period after the amendment is effective from 1 January 2011.

The directors of the Company anticipated that the adoption of the above amendment will eliminate major differences between the Group's consolidated financial statements under HKFRSs and the statutory financial statements which are prepared in accordance with the Chinese Accounting Standards for Business Enterprises ("CASs") issued by the Ministry of Finance of the PRC.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the cement segment engages in the manufacture and sale of cement and concrete;

(b) the modern building materials segment engages in the manufacture and sale of building materials and furniture;

(c) the property development segment engages in real estate development; and

(d) the property investment and management segment invests in properties for their rental income and/or for capital appreciation, and provides management and security services to residential and commercial properties.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income as well as head office and corporate expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The Group's revenue from external customers is derived solely from its operations in Mainland China, and no non-current assets of the Group are located outside Mainland China.

No revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue during the year.

Year ended 31 December 2010

	Cement *RMB'000*	Modern building materials *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to external customers	9,925,990	4,002,966	6,964,045	1,104,717	21,997,718
Intersegment sales	20,786	268,448	–	51,944	341,178
Total revenue	9,946,776	4,271,414	6,964,045	1,156,661	22,338,896
Reconciliation:					
Elimination of intersegment sales					(341,178)
Revenue					21,997,718
Segment results	1,523,273	425,964	1,681,248	1,042,085	4,672,570
Reconciliation:					
Elimination of intersegment results					(21,065)
Interest income					24,762
Corporate and unallocated expenses, net					(123,363)
Finance costs					(360,831)
Profit before tax					4,192,073
Other segment information					
Share of profits and losses of jointly-controlled entities	–	(14,510)	(639)	714	(14,435)
Share of profits and losses of associates	565	(7,925)	–	(237)	(7,597)
Fair value gains on investment properties, net	–	69,100	25,400	640,674	735,174
Impairment losses recognised in the income statement, net	53,800	6,843	–	2,536	63,179
Depreciation and amortisation	623,540	101,439	13,009	86,900	824,888
Investments in jointly-controlled entities	–	136,064	81,640	3,855	221,559
Investments in associates	22,860	289,785	–	–	312,645

Year ended 31 December 2009

	Cement RMB'000 (Restated)	Modern building materials RMB'000 (Restated)	Property development RMB'000 (Restated)	Property investment and management RMB'000 (Restated)	Total RMB'000 (Restated)
Segment revenue					
Sales to external customers	5,377,974	3,310,230	3,696,841	885,651	13,270,696
Intersegment sales	19,002	41,126	738	19,866	80,732
Total revenue	5,396,976	3,351,356	3,697,579	905,517	13,351,428
Reconciliation:					
Elimination of intersegment sales					(80,732)
Revenue					13,270,696
Segment results	911,523	220,359	969,185	922,059	3,023,126
Reconciliation:					
Elimination of intersegment results					34,576
Interest income					23,802
Corporate and unallocated expenses, net					(73,056)
Finance costs					(234,448)
Profit before tax					2,774,000
Other segment information					
Share of profits and losses of jointly-controlled entities	–	(6,877)	56,191	–	49,314
Share of profits and losses of associates	35,813	(19,657)	–	–	16,156
Fair value gains on investment properties, net	–	1,555	17,735	677,282	696,572
Impairment losses recognised/(reversed) in the income statement, net	35,437	8,644	(808)	61	43,334
Depreciation and amortisation	336,287	91,165	12,185	96,948	536,585
Investments in jointly-controlled entities	–	159,047	82,278	–	241,325
Investments in associates	18,000	305,185	–	2,642	325,827
Assets classified as held for sale	–	–	155,962	–	155,962

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; the proceeds, net of business tax and surcharges, from the sale of properties; the net incurred value of services rendered; rental income, net of business tax and surcharges, received and receivable from investment properties; and property management income received and receivable during the year.

An analysis of the Group's revenue, other income and gains is as follows:

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Sale of goods	**12,805,116**	7,956,811
Sale of properties	**7,028,105**	3,691,634
Gross rental income from investment properties	**455,536**	380,063
Property management fees	**363,646**	328,025
Rendering of services	**832,535**	510,293
Industrial waste processing	**196,256**	131,811
Hotel operations	**216,784**	189,735
Others	**99,740**	82,324
	21,997,718	13,270,696
Other income and gains		
Gross rental income from lease of plant and machinery	**141,227**	60,473
Gain on disposal of items of property, plant and equipment	**35,717**	35,076
Gain on disposal of land use rights	**177,037**	26,677
Gain on disposal of investment properties	**79,846**	29,569
Fair value gains, net		
– Available-for-sale investments		
(transfer from equity on disposal)	**5,957**	–
Bank interest income	**24,762**	23,802
Interest income received from jointly-controlled entities	**1,171**	7,368
Relocation compensation	**24,841**	46,310
Government grants		
– Release of deferred income	**51,267**	37,398
– Value-added tax refund	**568,276**	296,923
– Others	**38,984**	6,248
Service fee income	**30,332**	20,597
Waiver of other payables	**44,252**	55,141
Gain on disposal of jointly-controlled entities	**52,126**	–
Others	**91,523**	95,677
	1,367,318	741,259

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Cost of inventories sold	**15,190,628**	8,684,206
Cost of services provided	**1,714,750**	1,192,768
Depreciation	**768,781**	491,113
Impairment of items of property, plant and equipment	**39,827**	–
Amortisation of land use rights	**46,149**	36,530
Amortisation of other intangible assets	**3,196**	1,994
Amortisation of mining rights	**6,762**	6,948
Research and development costs	**50,436**	63,870
Impairment of trade receivables, net	**21,909**	37,865
Impairment of investment in an associate	**–**	5,469
Gain on disposal of items of property, plant and equipment, net	**(7,764)**	(12,780)
Gain on disposal of investment properties	**(79,846)**	(29,569)
Gain on disposal of land use rights	**(177,037)**	(26,677)
Gain on disposal of jointly-controlled entities	**(52,126)**	–
Release of deferred income	**(51,267)**	(37,398)
Fair value gains, net		
– Available-for-sale investments (transfer from equity on disposal)	**(5,957)**	–
Employee benefit expense (including directors' and supervisors' remuneration):		
Wages and salaries	**817,822**	560,987
Pension scheme contributions (defined contribution schemes)	**178,319**	137,697
Supplementary pension subsidies and early retirement benefits	**15,094**	31,960
Welfare and other expenses	**87,297**	79,959
	1,098,532	810,603

6. FINANCE COSTS

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Interest on bank loans	**573,014**	482,794
Interest on corporate bonds	**109,588**	59,812
Less: Interest capitalised	**(321,771)**	(308,158)
	360,831	234,448

7. INCOME TAX

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Current		
PRC corporate income tax ("CIT")	**864,270**	560,476
PRC land appreciation tax ("LAT")	**328,822**	86,522
	1,193,092	646,998
Deferred	**47,604**	131,339
Total tax charge for the year	**1,240,696**	778,337

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e. the statutory tax rate) to the effective tax rate, are as follows:

	2010		2009	
	RMB'000	*%*	*RMB'000*	*%*
			(Restated)	
Profit before tax	**4,192,073**		2,774,000	
Tax at the statutory tax rate	**1,048,018**	**25.0**	693,500	25.0
Income not subject to tax	**(71,822)**	**(1.7)**	(44,558)	(1.6)
Expenses not deductible for tax	**47,482**	**1.1**	84,539	3.0
Preferential tax rate or concessions	**(31,647)**	**(0.8)**	(29,530)	(1.1)
Profits and losses attributable to jointly-controlled entities and associates	**5,508**	**0.1**	(16,368)	(0.6)
Tax losses utilised from previous years	**(12,121)**	**(0.3)**	(206)	–
Tax losses not recognised	**8,662**	**0.2**	26,069	0.9
Land appreciation tax	**328,822**	**7.8**	86,522	3.1
Effect of land appreciation tax	**(82,206)**	**(2.0)**	(21,631)	(0.8)
Tax charge at the Group's effective rate	**1,240,696**	**29.4**	778,337	28.1

Hong Kong profits tax

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong during the year (2009: Nil).

PRC corporate income tax

The Company and all of its subsidiaries that operate in Mainland China were subject to the statutory corporate income tax rate of 25% for the year ended 31 December 2010 (2009: 25%) under the income tax rules and regulations of the PRC, except that certain subsidiaries are subject to preferential rates or tax exemption as approved by the relevant tax bureaus.

The share of tax attributable to jointly-controlled entities amounting to RMB472,000 (2009: RMB24,738,000) is included in "Share of profits and losses of jointly-controlled entities" on the face of the consolidated income statement.

The share of tax attributable to associates amounting to RMB2,655,000 (2009: RMB11,020,000) is included in "Share of profits and losses of associates" on the face of the consolidated income statement.

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 50% on the appreciation of the land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures in accordance with the relevant PRC tax laws and regulations.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of the Company in issue during the year.

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	**2,716,292**	1,905,930

	Number of shares	
	2010	2009
Shares		
Weighted average number of ordinary shares of the Company in issue during the year used in the basic earnings per share calculation	**3,873,332,500**	3,255,798,733

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2010 and 2009 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

9. DIVIDEND

	2010	2009
	RMB'000	*RMB'000*
Proposed final – RMB0.07 (2009: RMB0.07) per ordinary share	**299,862**	271,133

The proposed final dividend for the year is calculated based on the total number of shares in issue, including both A shares and H shares, as at the date of this announcement and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. TRADE AND BILLS RECEIVABLES

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Trade receivables	**2,991,295**	2,052,814
Bills receivable	**627,001**	406,277
Less: Impairment	**(365,312)**	(336,580)
	3,252,984	2,122,511

The Group grants different credit periods to customers in different segments. In the cement and modern building materials segments, the credit periods are generally three months, extending up to nine months for major customers. In the property development segment, considerations in respect of properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Trade receivables are unsecured and non-interest-bearing. Trade receivables from related parties are repayable in accordance with the relevant contracts entered into between the Group and the respective related parties.

An aged analysis of the trade receivables of the Group as at the end of the reporting period based on invoices, net of provisions, is as follows:

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Within 6 months	**1,601,889**	880,463
7 to 12 months	**741,393**	695,473
1 to 2 years	**302,522**	154,657
2 to 3 years	**72,203**	78,009
Over 3 years	**273,288**	244,212
	2,991,295	2,052,814

11. TRADE AND BILLS PAYABLES

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Trade payables	**4,093,676**	2,587,684
Bills payable	**325,083**	175,607
	4,418,759	2,763,291

The trade and bills payables are non-interest-bearing. The average credit period for trade purchases is 60 days to 90 days. The credit terms granted by the related parties are similar to those granted by third parties.

An aged analysis of the trade payables of the Group at the end of the reporting period, based on the invoice date, is as follows:

	2010	2009
	RMB'000	*RMB'000*
		(Restated)
Within 3 months	**2,145,822**	1,358,721
4 to 6 months	**490,539**	363,399
7 to 12 months	**577,635**	316,068
1 to 2 years	**661,450**	394,865
2 to 3 years	**105,164**	67,241
Over 3 years	**113,066**	87,390
	4,093,676	2,587,684

12. CORPORATE BONDS AND NOTES

The Company issued seven-year corporate bonds of RMB1.9 billion in aggregate (the "Seven-year Bonds") to corporate investors in Mainland China in April 2009. The Seven-year Bonds bear a fixed interest rate of 4.32% per annum and the interest is paid annually. The Seven-year Bonds are guaranteed by the Beijing State-owned Capital Operation Management Centre, an entity administered by the Beijing SASAC. The holders of the Seven-year Bonds are entitled to a redemption right exercisable at the expiry of the fifth anniversary of the issuance date.

The Company issued notes of RMB2.0 billion and RMB0.8 billion (the "Notes") to independent third parties in Mainland China in September 2010 and December 2010, respectively. The Notes are unsecured, with term of five years, and bear fixed interest rates of 4.38% and 5.85% per annum, respectively. The interests are paid annually.

The bonds and notes are stated at amortised cost at the end of the reporting period.

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the Board, I am pleased to announce the audited consolidated results of the Group as at 31 December 2010, and the satisfactory results of the Group during the said period for your review.

Annual Results

For the year ended 31 December 2010, the revenue and the profit attributable to owners of the Company amounted to RMB21,997.7 million and RMB2,716.3 million, representing an increase of 65.8% and 42.5% year-on-year respectively. The remarkable growths were mainly attributable to (i) increased product sales volume due to expanded capacity of the Group's principal operations following the completion of a number of acquisitions as well as new production lines of cement and building materials during the reporting period; (ii) improved profit margin due to higher product selling prices as a result of strong demand for the Company's products in the regions where the Group is operated; and (iii) continuous expansions of property development segment of the Group during the reporting period, which has become a major source of profit for the Company. Basic earnings per share attributable to ordinary equity holders of the Company was RMB0.70 (2009: RMB0.59 (restated)).

Dividends

The Board has proposed to pay a final dividend of RMB0.07 per share for the year ended 31 December 2010 (2009: RMB0.07 per share). Subject to approval by the Company's shareholders at the forthcoming annual general meeting, the final dividends will be distributed on or before 22 July 2011 to shareholders whose names appear on the register of members on the record date. No interim dividend was recommended by the Board during the reporting period, and the total distribution of dividends for the year ended 31 December 2010 was RMB0.07 per share (2009: RMB0.07 per share).

Business Environment

Despite the better-than-expected global economic recovery throughout the year 2010, the Eurozone sovereign debt crisis still put the financial market in continual volatility and hampered the economic revival of European countries. In face of the profound worldwide economic transform and the complex international political rivalry, the PRC government continued to gradually divert the focus of its economic growth from policy stimulus to endogenous growth and managed to minimise the impact of frequent natural disasters on economic development. With the acceleration of the transform of economic development pattern and structural adjustment, the overall national economy in the PRC witnessed positive development, fixed-asset investment recorded stable growth and property investment generated leap-forward expansion in 2010. According to the statistical information of the National Bureau of Statistics, China's GDP grew by 10.3% in 2010 as compared with that in 2009 and nationwide fixed-asset investment rose by 23.8% year-on-year in 2010 to RMB27.8140 trillion. Property investment surged by 33.2% year-on-year in 2010 to RMB4.8267 trillion. The continuous economic growths and fixed asset investments contributed to the favourable business environment for the Company's four principal business segments during the reporting period.

Given the challenging global economy and complex domestic and international economic landscapes, the Board, abreast of the global socio-economic dynamics, formulated development strategies in a scientific manner, defined a clear direction, expedited shifts of growth model, fine-tuned the path for development and stepped up technological innovation. Capitalising on favorable industry regulatory policies, the Group improved industry planning and strategic deployment, strengthened capital operations and resources consolidation, aggressively expanded the business in regional markets and enhanced integration of regional resources and adjustment of internal resources, so as to raise management standard and operational efficiency, while maintaining a steady, fast and sound growth of operating results and a steady growth in its principal businesses. Meanwhile, by seizing favorable opportunities in the capital market, the Group have completed various asset injections and kicked off merger proposal of Hebei Taihang Cement Co., Ltd. ("Taihang Cement") and the Company's A share listing on the A-share market in 2010.

Industry Development

In September 2009, the National Development and Reform Commission announced to rectify the issues of surplus production capacity and repetitive constructions in certain industries (including cement). The policies were designed to strictly restrict construction of cement production lines by requiring all cement projects then approved but has not commenced construction to re-seek approvals for construction. During the reporting period, the Ministry of Industry and Information Technology published the document "Entry Conditions for Cement Industry" on 30 November 2010 with effect from 1 January 2011, all provinces, autonomous regions and municipalities directly under the PRC central government are required to exercise strict control over construction of new cement (clinker) production lines in the principle of controlling the total cement capacity for orderly development. Meanwhile, new cement clinker production lines to be constructed shall be strictly eliminated on the basis of "equivalent or less amount", and a number of requirements are imposed on cement projects including restriction on per capita clinker capacity at the province level, sufficiency of lime resources, production process, energy consumption, emission and other environmental requirements, production quality, health and safety conditions. The document also stated that the PRC government encourages consolidation among the cement industry for more efficient utilisation of national resources.

In addition, in May 2010, the State Council of China published the target of closing 91.6 million tonnes of low-efficiency cement capacity across the country. Also in August 2010, the Ministry of Industry and Information Technology announced to close 762 companies with approximately 107 million tonnes of obsolete cement capacity by September 2010, and it is expected that all low-efficiency cement companies will be eliminated by 2015.

The Company is confident that the long-term development policies for domestic cement industry set by the PRC government will present more opportunities for the Company's cement and building material businesses, which will allow the Company to further reinforce its "grand cross-shape" strategic layout (大十字戰略佈局) covering Beijing, Tianjin and Hebei and uplift the position and dominance of its cement business in the PRC cement market.

Following the rapid growth in 2009, the domestic real estate market maintained its momentum in the first quarter of 2010, leading to surging property and land prices throughout the PRC. This resulted in a stricter control from the PRC central government which published a series of regulatory policies on the real estate market. In addition to the regulatory policies on demand, on the supply side, the PRC government took initiatives including increasing land supply, accelerating construction of affordable housing and strengthening the accountability mechanism for the local governments to increase market supply and solve the housing difficulty for moderate to lower income families. As such, the Company, being one of the property developers with strongest comprehensive strengths in Beijing region and one of the largest developers of affordable housing in the PRC, will further secure its leading position in property development market under the national plan for commencing construction of approximately 10 million units of affordable housing in 2011. Capitalising on the synergy of its property development segment with other business segments, the Group will be able to capture more market opportunities to give full play of its predominance in property development segment while the PRC government implementing the national housing policies.

Outlook

According to the statistical results released by authoritative national institutions, the momentum of the global economic recovery is picking up. The economy of China continues to grow in a stable pace amidst an unstable and volatile international economic environment, and China has become the second largest economy in the world. In 2011, transformational investment will be a new engine for investment growth, and strategic investment on new industries, community investment, welfare investment and investment on high-speed rail will replace real estate investment as the key for fixed asset investment in 2011. The industry structure and inter-regional linkage will be further optimised.

The Group will capitalise on the opportunities arising from the PRC government's macro policy adjustments, cope with the changes in both domestic and international economic landscapes, expand the scale of operation, comprehensively execute the strategic deployment of the industry, target on the regional markets, explore a new path to sustainable development and drive the Group into a speedy and healthy development.

With respect to the cement and ready-mixed concrete segment, the Company will promote a steady expansion of this segment in line with the macro regulatory policies of PRC, industry trend, market demand dynamics and the principles of recycling economy, so as to reinforce its domination and influence over the cement market in the Pan Bohai and its peripheral area. While striving to maintain product quality and profitability, the Company will spare no effort to conserve energy, reduce emission and utilise resources comprehensively, consolidate its first-mover advantage in the recycling economy and work for the goal of operating an conservation-oriented and eco-friendly cement enterprise.

The Company will also continue to enhance the unified marketing and sales model for the cement segment, rationalise allocation of resources and reinforce existing distribution channel while vigorously exploring opportunities in the emerging market. The Company will also tighten its grip on upstream resources such as raw materials and fuel so as to secure the long-term and adequate supply. Actively promoting the development of product quality management platform, the Company seeks significant improvement in both overall production standard and product quality. Ready-mixed concrete business will be subject to a higher level of control and monitoring so as to further improve its operational quality and profitability.

With respect to the modern building materials segment, the Company will further optimise and adjust this segment to fit in the changing industry structure, define a clear direction for the major businesses and seek growth in key sectors such as furniture and woods, wall body and insulation materials, decorative materials, refractory materials and trading and logistics. The Company will relentlessly build a well-recognised brand and dominate enterprises by enhancing support and training, renovating operational belief and growth model and strengthening brand promotion initiatives. The Company will also uphold the "Industrial Park-based" development model, with the stepping up of planning and construction of industrial parks, projects analysis and execution of organisational activities. The management model of such industrial parks will be gradually optimised, leading to an effective industry-clustered development model. The Company will also increase its effort in market exploration, deployment of market network and distribution channels in a scientific manner, and stick to the strategy of "moving out" and strengthening development of core and key projects. The Company will make progress on key projects in a solid manner so as to create a new growth engine for the economy.

With respect to the property development segment, the Company will capitalise on the PRC government's regulatory policy and, through leveraging on its own advantages, actively participate in the planning and construction of the PRC government's economically affordable housing projects. The Company will strictly adhere to the business strategy for adjusting the "two structures" (兩個結構) and "accelerating cash flow" (好水快流), while speeding up the development progress through shortening development cycle of projects without compromising quality. Marketing strategies have to be innovative and be adjusted according to market demand, leading to maximisation of income from development projects through changes in sales and promotion initiatives. With scientific analysis on land reserves and projects, sustainable development of the Company will be assured by increasing land reserves when opportunities arise. The Company will carry forward the progress of the industrialisation of real estate of the PRC, realise the synergy between industrial sectors, and make every effort to forge an international real estate business group.

With respect to the property investment and management segment, the Company actively pursues a unified model of property development, operations and services. Overall quality of the investment properties will be raised comprehensively, and occupancy rate will be maintained along with steady growth in revenue. The Company will make good use of its advantages derived from internal consolidation and branding, relentlessly raise the professional level of management operations towards a market-oriented direction, creating new ideas for development so as to add new growth engines to the economy and make breakthroughs in economic efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Financial Information

	2010	2009	*Change*
	RMB'000	*RMB'000*	
		(Restated)	
Revenue	**21,997,718**	13,270,696	65.8%
Gross profit	**5,092,340**	3,393,722	50.1%
Gross profit margin (%)	**23.1%**	25.6%	–2.5%
Net profit attributable to owners of the Company	**2,716,292**	1,905,930	42.5%
Basic earnings per share attributable to ordinary equity holders of the Company	**RMB0.70**	RMB0.59	18.6%
Cash and cash equivalents	**5,025,398**	6,266,643	–19.8%
Total assets	**61,046,495**	43,577,068	40.1%
Net assets	**18,056,284**	18,518,543	–2.5%

Summary of Business Information

1. Cement Segment

	2010	2009	*Change*
Sales volume:			
Cement (in 10,000 tonnes)	**2,845**	1,388	105.0%
Concrete (in 10,000 cubic meters)	**842**	290	190.3%

2. Modern Building Materials Segment

	2010	2009	*Change*
Sales volume:			
Refractory materials (in 10,000 tonnes)	**23**	17.3	32.9%

3. Property Development Segment

	2010	2009	*Change*
Booked GFA (in 10,000 sq.m.)	**87**	47.4	83.5%
Presales (sales) GFA (in 10,000 sq.m.)	**89**	52	71.2%

4. Property Investment and Management Segment

	2010	2009	*Change*
Gross GFA of investment property (in 10,000 sq.m.)	**67.2**	60.1	11.8%

Review of Overall Results

In 2010, the results of the Company had grown rapidly. Revenue increased by 65.8% year-on-year to RMB21,997.7 million; gross profit amounted to RMB5,092.3 million, an increase of 50.1% year-on-year; net profit attributable to owners of the Company amounted to RMB2,716.3 million, an increase of 42.5% year-on-year.

The results of all of the Company's four business segments namely cement, modern building materials, property development and property investment and management achieved remarkable growth. Among which:

- Revenue from cement segment increased by 84.3% to RMB9,946.8 million, with gross profit increased by 76.7% to RMB1,871.7 million;

- Revenue from modern building materials segment increased by 27.5% to RMB4,271.4 million, with gross profit increased by 18.9% to RMB737.5 million;

- Revenue from property development segment increased by 88.3% to RMB6,964.0 million, with gross profit increased by 63.7% to RMB1,892.9 million;

- Revenue from property investment and management segment increased by 27.7% to RMB1,156.7 million, with gross profit increased by 26.4% to RMB635.2 million.

Analysis of Business Segments

1. **Cement Segment**

Addressing the adverse impacts from electricity restriction and production cutback, the Group completed a series of acquisitions of cement enterprises in light of its "grand cross-shape" (大十字) strategy, and advanced into markets such as Shanxi and Henan. The expanded business scale and optimised industry layout led to a further enhanced domination of the Group in regional cement markets. Meanwhile, a favourable interactive mechanism was established with remarkable synergy in the principle of "unified marketing, unified supply, unified quality control standards and unified management on projects newly-constructed (under construction)" (統一營銷、統一供應、統一質量控制標準和統一新(在)建項目管理). As the ready-mixed concrete business successfully marched into regional markets including Tianjin and Hebei, product profitability was further improved. During 2010, the aggregated sales volume of cement and clinker reached 28.45 million tonnes, an increase of 14.57 million tonnes year-on-year; sales volume of concrete totalled 8.42 million sq.m., an increase of 5.52 million sq.m. year-on-year. The cement segment achieved revenue of RMB9,946.8 million, an increase of 84.3% year-on-year; gross profit amounted to RMB1,871.7 million, an increase of 76.7% year-on-year.

2. **Modern Building Materials Segment**

The Group continued to enhance the adjustment of industrial structures and to optimise resource allocation, with the initial establishment of five key sectors, including furniture and woods, wall body and insulation materials, decorative materials, refractory materials and trading and logistics, and two industrial parks, including Dachang Modern Industrial Park and Doudian Scientific Industrial Park. During 2010, the modern building materials segment achieved revenue of RMB4,271.4 million, an increase of 27.5% year-on-year; gross profit amounted to RMB737.5 million, an increase of 18.9% year-on-year.

3. **Property Development Segment**

With steady paces in adjusting the "two structures" (兩個結構) and in-depth implementation of the business strategy for "accelerating cash flow" (好水快流), the Group managed to extend the presence of its property development business to Tianjin, Chongqing, Haikou, Tangshan and other cities. Scale merit and trans-regional advantages were achieved under a well-plotted blueprint. During 2010, the Company's property development segment achieved revenue of RMB6,964.0 million, an increase of 88.3% year-on-year; gross profit totalled RMB1,892.9 million, an increase of 63.7% year-on-year. Booked GFA was 870,000 sq.m., an increase of 83.5% year-on-year. Presales GFA for the year was 890,000 sq.m., an increase of 71.2% year-on-year. As at the end of the reporting period, site area of the Company's land reserve totalled 6,000,000 sq.m..

Major land reserve acquired by the Group in 2010

No.	Project Name	Date of Acquisition	Group's Interest	Gross Planned Area *(sq.m)*	Cost of Acquisition *(RMB ten thousand)*	Average GFA Unit Price *(RMB/sq.m)*
1	Phase II of five parcels of land project located at the southside of Zhangguizhuang Road, Dongli District,Tianjin 天津市東麗區張貴莊路南側二期5宗地項目	January 2010	100%	290,466	133,000	4,579
2	Huangjueya Project of Nan'an District in Chongqing 重慶市南岸區黃桷埡項目	March 2010	100%	433,838	121,000	2,789
3	Residential Project of the partial land located at the westside of Dongshahe in Laocheng, Changping District, Beijing 北京市昌平區老城東沙河西側局部地塊居住項目	March 2010	100%	91,379	68,000	7,442
4	Phase IV of the residential project located at the southside of Zhangguizhuang Road, Dongli District, Tianjin 天津市東麗區張貴莊路南側居住區四期地塊項目	March 2010	100%	200,679	81,000	4,036
5	Chayuan Project in Chongqing 重慶市茶園項目	June 2010	100%	677,132	100,000	1,477
6	Bone China Factory Project in Tangshan 唐山陶瓷廠項目	August 2010	80%	248,874	71,500	2,873
7	Residential Project of Liyuan Town in Tongzhou District, Beijing 北京市通州區梨園鎮居住項目	November 2010	100%	138,922	147,257	10,600
8	Other projects for multi-purpose and residential land located at Liyuan Town of Tongzhou District in Beijing 北京市通州區梨園鎮其他多功能用地與居住用地項目	November 2010	100%	72,145	59,818	8,291
9	Banshan Tianyuan of Gongshu District in Hangzhou 杭州市拱墅區半山田園	November 2010	100%	142,560	133,000	9,329
	Total			2,295,995	914,575	3,983

4. Property Investment and Management Segment

Taking full use of integrated advantages under innovative business mode, the Group took efforts in enhancing service quality and management level of this segment, which witnessed the steady improvement of economic benefit and growth capability. During 2010, this segment achieved revenue of RMB1,156.7 million, an increase of 27.7% year-on-year; gross profit amounted to RMB635.2 million, an increase of 26.4% year-on-year. As at the end of the reporting period, the total GFA of investment properties held by the Group in core regions of Beijing reached 672,000 sq.m..

Investment properties held by the Group as at 31 December 2010

	Location	Property Gross Area *(in 10,000 sq.m.)*	Fair Value *(RMB hundred million)*	Rental Unit Price *(RMB/day)*	Average Occupancy Rate	Unit Fair Value *(RMB/ sq.m.)*
Phase 1 of Global Trade Center	North Third Ring, Beijing	10.5	19.4	5.7	95%	18,472
Phase 2 of Global Trade Center	North Third Ring, Beijing	16.3	23.6	4.7	91%	14,514
Phase 3 of Global Trade Center(G/F)	North Third Ring, Beijing	5.9	8.0	4	73%	13,473
Tengda Plaza	West Second Ring, Beijing	7.8	10.6	4.7	97%	13,590
Jin Yu Building	West Second Ring, Beijing	4.5	7.7	4.1	98%	17,173
Jianda Building/ Jiancai Jingmao Building	East Second Ring, Beijing	4.7	9.1	3.6	98%	19,270
Dacheng International Center	East Fourth Ring, Beijing	4.2	5.2	4.3	100%	12,381
	Sub-total	**53.9**	**83.6**			**15,508**
Other properties	Beijing Municipality	13.3	14.0			10,531
	Total	**67.2**	**97.6**			**14,524**

Analysis of Other Items in Income Statement

1. **Other income and gains**

During the reporting period, other income and gains of the Group amounted to RMB1,367.3 million, an increase of RMB626.1 million year-on-year. The increase was mainly attributable to increased VAT refunds due to higher revenue of cement segment.

2. **Net fair value gains on investment properties**

During the reporting period, the net fair value gains on investment properties of the Company were RMB735.2 million. The net fair value gains on investment properties were mainly due to an upward revision to fair value of the Company's investment properties by the valuer based on the surging property prices in Beijing open market.

3. **Selling and distribution costs, administrative expenses and finance costs**

During the reporting period, there were noticeable drops in the Group's period expense in terms of percentage to revenue.

(a) In 2010, selling and distribution costs were RMB855.7 million, an increase of RMB289.4 million year-on-year. Through unified sale channels and other methods implemented by the Company, the percentage of selling and distribution costs to revenue decreased by 0.4 percentage points year-on-year to 3.9%.

(b) In 2010, administrative expenses were RMB1,562.2 million, an increase of RMB328.0 million year-on-year. Such increase was mainly due to the business expansion of the Group's concrete and cement enterprises. However, as the Company carried out the integration of internal management, the percentage of administrative expenses to revenue decreased by 2.2 percentage points year-on-year to 7.1%.

(c) In 2010, finance costs were RMB360.8 million, an increase of RMB126.4 million year-on-year. Through unified capital management, centralised borrowing and improvement of corporate credit rating, interest rates for most borrowings were 10% below the benchmark rate. The percentage of finance costs to revenue decreased by 0.2 percentage point year-on-year to 1.6%.

Analysis of Assets and Liabilities

Comparison of major assets and liabilities items

	As at 31 December		
	2010	2009	*Change*
	RMB million	*RMB million*	
		(Restated)	
Current assets	**33,262.5**	22,232.6	49.6%
Current liabilities	**27,765.2**	15,718.6	76.6%
Net current assets	**5,497.3**	6,514.0	–15.6%
Non-current assets	**27,784.0**	21,344.5	30.2%
Non-current liabilities	**15,225.0**	9,340.0	63.0%
Total assets	**61,046.5**	43,577.1	40.1%
Net assets	**18,056.3**	18,518.5	–2.5%
Debt ratio (%) (total liabilities to total assets)	**70.4%**	57.5%	12.9 percentage points

Capital Expenditure

	For the year ended 31 December		
	2010	2009	*Change*
	RMB million	*RMB million*	
		(Restated)	
Cement	**4,915**	2,384	106.2%
Modern building materials	**285**	481	–40.7%
Property development	**11**	11	–
Property investment and management	**552**	553	–0.2%
Total	**5,763**	3,429	68.1%

Liquidity and Financial Resources

As at 31 December 2010, the Group's consolidated total assets amounted to RMB61,046.5 million, an increase of 40.1% from the end of last year which were financed by liabilities of RMB42,990.2 million, non-controlling interests of RMB1,882.1 million and equity of RMB16,174.2 million. The asset quality was significantly improved; net assets amounted to RMB18,056.3 million, a slight decrease of 2.5% from the end of last year. As at 31 December 2010, the Group's net current assets were RMB5,497.3 million, a decrease of RMB1,016.7 million year-on-year. Debt ratio (total liabilities to total assets) was 70.4%, an increase of 12.9 percentage points from the beginning of the reporting period.

As at 31 December 2010, the Group's cash and bank balances amounted to RMB5,025.4 million, a decrease of RMB1,241.2 million year-on-year. During the reporting period, the Group generally financed its operations with internally generated resources, corporate bonds, medium-term notes and banking facilities provided by its principal bankers in the PRC. As at 31 December 2010, the Group's interest-bearing bank borrowings amounted to RMB16,899.3 million. Of these borrowings, approximately RMB9,328.8 million interest bearing bank borrowings were due for repayment within one year, an increase of approximately RMB5,956.4 million at the beginning of the year. Approximately RMB7,570.4 million interest-bearing bank borrowings were due for repayment after one year, an increase of approximately RMB2,792.1 million at the beginning of the year.

During the reporting period, the Company successfully issued the medium-term notes in two tranches of RMB2.0 billion and RMB0.8 billion with a tenure of five years and interest rates of 4.38% and 5.85%, respectively.

During the reporting period, the Company signed cooperation agreements with various banks to obtain credit facility with an interest rate of 10% lower than the benchmark interest rate of the bank for the same period. With a substantially improved financial status and capital structure, the Company's business development obtained steady capital support.

Material Acquisitions of Subsidiaries

(a) On 17 January 2010, the Group entered into six acquisition agreements (collectively, the "First Acquisition Agreements") with the Parent and Beijing Dacheng Property Development Co., Ltd. ("Dacheng Property"), a wholly-owned subsidiary of the Parent for several acquisitions with a total consideration of approximately RMB1,496 million.

    Pursuant to the First Acquisition Agreements, the Group acquired 60.64% equity interest in Tianjin Zhenxing Cement Co., Ltd. ("Zhenxing Cement") and 100% equity interest in Shanghai Sanming Building Materials Co., Ltd. ("Shanghai Sanming") from the Parent. The Company paid cash considerations of approximately RMB414,478,000 to the Parent during the year.

Pursuant to the First Acquisition Agreements, Dacheng Property transferred 90% equity interest in Zhangjiakou Jinyu Cement Co., Ltd. ("Zhangjiakou Cement"), 90% equity interest in Quyang Jinyu Cement Co., Ltd. ("Quyang Cement"), 100% equity interest in Zhuolu Yongxing Cement Co., Ltd. ("Zhuolu Cement") and 100% equity interest in Beijing Dacheng Development Group Co., Ltd. ("Dacheng Group") to the Company. The total considerations in respect of the agreements for the equity acquisitions from Dacheng Property is approximately RMB1,081,911,000. The Board considered that the above acquisitions (i) are the appropriate and reasonable measures to avoid possible business competition between the Parent and the Group; (ii) provide an excellent opportunity for the Group to expand its business operation for cement and property development and management segments in the Beijing-Bohai Gulf Region; and (iii) can enhance the operating efficiency of the Group through larger operation scale and sharing of resources within the Group. The transactions under the First Acquisition Agreements were completed during the reporting period.

(b) On 28 January 2010, the Company entered into an equity acquisition agreement with Hebei Tiantashan Building Materials Co., Ltd. ("Hebei Tiantashan"), pursuant to which the Company has agreed to acquire from Hebei Tiantashan a 13.33% equity interest in Zanhuang BBMG Cement Co., Ltd. ("Zanhuang Cement") for a total consideration of RMB40.0 million. The Board considered that the above acquisition provide an excellent opportunity for the Company to consolidate the internal resources and corporate structure for the cement business of the Group, thereby enhancing management efficiency and effectiveness. In addition, it is expected that the acquisition can improve return of profit for the cement business of the Group. The transaction was completed during the first half of the reporting period.

(c) On 31 May 2010, the Group entered into a series of agreements (collectively, the "Second Acquisition Agreements") with the Parent or its subsidiaries (collectively the "Parent Group") in respect of the purchase of the equity interests in sixteen entities from the Parent Group. Pursuant to the Second Acquisition Agreements, the Group has agreed to acquire from the Parent Group 100% equity interest in Tianjin Jinzhu Concrete Co., Ltd., 33.88% equity interest in Beijing Cement Plant Co., Ltd. ("Beijing Cement Plant"), 100% equity interest in Beijing Eco-island Science and Technology Co., Ltd., 100% equity interest in Beijing Yaxin Special Building Materials Co., Ltd., 100% equity interest in Beijing Longshuncheng Chinese Style Furniture Plant, 67.5% equity interest in Crane (Beijing) Building Materials Co., Ltd., 100% equity interest in Beijing Yanshan Cement Co., Ltd., 100% equity interest in Beijing Architectural Decoration, Design and Engineering Co., Ltd., 100% equity interest in BBMG Badaling Hot-spring Resort Co., Ltd., 100% equity interest in Beijing Zhongweisenhai Property Management Co., Ltd., 100% equity interest in BBMG Dacheng Property Management Co., Ltd., 100% equity interest in Beijing Ganlujiayuan Property Management Co., Ltd., 100% equity interest in Beijing Yuandongjiemei Services Company, 100% equity interest in BBMG Hong Kong Limited, 100% equity interest in BBMG Human Resources Management Co., Ltd. and 100% equity interest in BBMG Hongye Ecological Science and Technology Co., Ltd. (collectively, the "Second Acquirees"). The total consideration for the acquisitions of the Second Acquirees is approximately RMB2,378,687,000. The Board considered that the above acquisitions are beneficial to the Group in the way that such acquisitions (i) provide the Group with greater access to the cement market in the Beijing and Tianjin vicinities and will enable the Group to expand its cement business in the greater Beijing-Bohai Gulf Region; (ii) avoid business competition between the Parent Group and the Group in the cement industry; (iii) enhance the Group's competitiveness in the environmental protection business; (iv) enhance and enlarge the development of the Group's modern building materials business; (v) extend and expand the business scope of the Group's property development business and increase the land bank reserves of the Group for future potential property development use; (vi) enhance the property investment business segment of the Group and provide an excellent opportunity for the Group to expand its property investment and management business in the PRC; and (vii) establish an offshore business platform for future business development. The acquisitions of thirteen of the Second Acquirees have been completed during the reporting period and the Group expected that the remaining three acquisitions would be completed before 30 May 2011.

(d) Pursuant to an equity reorganization agreement entered into with China Cinda Asset Management Corporation ("Cinda") dated 4 June 2010, the Company further acquired 66.12% in Beijing Cement Plant from Cinda for consideration of approximately RMB623,656,000. The Board considered that the above acquisition provide an excellent opportunity for the Company to consolidate the internal resources and corporate structure for the cement business of the Group, thereby enhancing management efficiency and effectiveness. In addition, it is expected that the acquisition can improve return of profit for the cement business of the Group. The above acquisition was completed on 31 December 2010, and together with the 33.88% equity interest in Beijing Cement Plant that the Company acquired from the Parent earlier, Beijing Cement Plant became a wholly-owned subsidiary of the Company. The consideration for the acquisition of 66.12% equity interest in Beijing Cement Plant from Cinda will be settled by consideration shares to be issued by the Company within 12 months after the completion of such acquisition.

(e) On 6 July 2010, the Company and Taihang Cement entered into a merger agreement in respect of the merger of Taihang Cement with the Company (the "Merger Proposal") and the Company will issue A shares to the shareholders of Taihang Cement to implement the Merger Proposal (the "A Share Issue"). The Board considered that the Merger Proposal is (i) a better mean to implement the undertaking made by the Parent regarding the avoidance of the potential business competition between the Parent and Taihang Cement; (ii) a mean to avoid business competition between the Company and Taihang Cement; (iii) a mean to reduce the continuing connected transaction amounts between the Parent Group and the Group and to consolidate and streamline the cement assets within the Group for the Group's future development; and (iv) a chance for establishing a new financing platform in the A share stock market for the Group in the future. The Merger Proposal was completed subsequent to the reporting period on 1 March 2011.

Pledge of Assets

As at 31 December 2010, certain of the Group's investment properties, property, plant and equipment, land use rights and properties under development amounting to approximately RMB6,261.4 million (31 December 2009: RMB6,977.3 million) were pledged to certain banks for securing the loans granted to the Group and accounted for approximately 10.3% of the total assets of the Group (31 December 2009: 16.0%).

Contingent Liabilities

(a) The Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with the accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates which will generally be available within a certain period after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the Directors of the Company consider the risk of default in payment is remote and that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principal together with the accrued interest and penalty and therefore no provision has been made in these financial statements for the guarantees.

(b) The Group had contingent liabilities in relation to the transfer of certain other payables balances to the Parent in an aggregate amount of approximately RMB176.3 million (2009: RMB176.3 million). The Group may remain liable if the Parent fails to fulfill its obligations in respect of these transferred liabilities. Pursuant to an indemnification undertaking, the Parent has agreed to indemnify the Group in respect of any loss or damage relating to the transferred liabilities as mentioned above.

(c) The Group had contingent liabilities in relation to not having proper legal title to certain of its properties. The Group may be subject to penalties, lawsuits or other actions taken against the Group. No provision has been made for such potential legal proceedings and claims as the outcome of the legal proceedings and claims cannot be reasonably estimated and management believes that the probability of loss is remote. The Parent has agreed to indemnify the Group in respect of any loss or damages relating to the defective title certificate.

Capital Commitments

The Group entered into certain agreements in respect of acquisition of property, plant and equipment, construction of properties being developed by the Group for sale and capital contribution to a jointly-controlled entity. As at 31 December 2010, the Group had a total capital commitment of RMB5,309.4 million (31 December 2009: RMB2,653.6 million).

Employees

As at 31 December 2010, the Group had 27,318 employees in total (as at 31 December 2009: 18,759). The Group provides its employees in the PRC with retirement insurance, medical insurance, unemployment insurance, maternity insurance and industrial injury insurance as well as a housing provident fund pursuant to the PRC laws and regulations. The Group pays salaries to the employees based on a combination of factors such as their positions, terms of service and work performance, and reviews these salaries and benefits on a regular basis.

Foreign Exchange Risk Management

The Group mainly operates its business in the PRC. During the reporting period, sales proceeds and procurement expenses of the Group were mainly denominated in RMB. Most of the Group's financial instruments such as trade and bills receivables, cash and bank balances are denominated in the same currency or a currency that is pegged to the functional currency of the operations to which the transactions are related. Accordingly, it is believed that the Group has minimal foreign currency risks. The Group has not used any forward contract or currency borrowing to hedge its interest rate risks. Fluctuations of the exchange rates of foreign currencies did not constitute any major challenges for the Group nor had any significant effects on its operations or working capital during the year. However, the management will continue to monitor foreign currency risks and adopt prudent measures as appropriate.

Treasury Policies

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and cash equivalents are held mainly in RMB. Surplus cash is generally placed in short term deposits denominated in RMB.

FUTURE PROSPECTS AND OUTLOOK

To shrewdly schedule the construction of major projects, the Group will strengthen the command, coordination and deployment system in project implementation, and exercise strict supervision over budget implementation and cost control, so as to ensure project quality, shortened construction cycle and earlier commissioning to fuel the momentum of business growth.

1. Cement Segment

The Group will earnestly press forward preliminary study on production expansion, consumption reduction and projects renovation for existing clinker production lines with a daily capacity below 4,000 tonnes. Preliminary approval procedures will be pushed forward for projects including the disposal of fly ash arising from trash incineration in the cement plant owned by BBMG Liulihe Cement Co., Ltd., and the active lime production line with a daily capacity of 800 tonnes of Baoding Taihang Heyi Cement Co., Ltd., Qinyang BBMG Cement Co., Ltd. will steadily proceed with the carbide slag-based clinker production line with a daily capacity of 2,500 tonnes. The acceptance check for completed projects will be concluded as soon as possible, including cement grinding system technological renovation (Phase 1) in the cement plant owned by BBMG Liulihe Cement Co., Ltd., sludge treatment line of Beijing Xinbeishui Cement Co., Ltd., and four clinker production lines of Zanhuang Cement, Quyang Cement, Zhuolu Cement and Handan Shexian BBMG Cement Co., Ltd. each with a daily capacity of 4,000 tonnes.

2. Modern Building Materials Segment

While the first flagship store in Tianjin of Beijing Tiantan Corporation will commence trial operation in October 2011, the hardwood furniture technological renovation project of Beijing Longshuncheng Chinese Style Furniture Plant is expected to complete in the fourth quarter of 2011. The upgrade project for the aerated concrete production line of BBMG Aerated Concrete Shijingshan production base, with an annual production capacity of 180,000 cubic meters, and the aerated concrete production line project in Doudian, with an annual production capacity of 300,000 cubic meters, are to be completed respectively in the first quarter and the first half of 2011. The coating production line of BBMG Coating Plant with an annual capacity of 50,000 tonnes and the composite refractory material production line (Phase 1) of Tongda Yangquan with an annual production capacity of 150,000 tonnes started operation in January 2011. The Doudian building materials testing base project (Phase 1) of Beijing Building Materials Academy Co., Ltd. will be completed and put into operation in the first quarter of 2011. On trading and logistics, while fortifying the existing business, the Group will expand business coverage under innovative marketing mode for a leap in development.

3. Property Development Segment

For projects under construction, construction period will be rationally scheduled to speed up development progress. The housing project with restrictions on house and land prices on the land owned by of Yanshan Cement Plant Co., Ltd. will commence construction in full scope, and the remaining part of housing renovation project in north area of Xisanqi and projects in Tangshan and Chongqing will commence construction as scheduled. Projects including Dachengjun (大成郡), Hangzhou Jinyu Guanlan Times (杭州金隅觀瀾時代), Jinyu Huashijiang (金隅花石匠) and Tianjin Jinyu Yuecheng (天津金隅悦城), as well as some buildings of affordable housing projects including settlement housing in Zhaikou (寨口定向安置房), Jinyu Kanghuiyuan (金隅康惠園), Jiaheyuan (嘉和園) and Jinheyuan (景和園) will be completed and delivered for use, to ensure the revenue of RMB10.5 billion for 2011. Sheraton Jinyu Hotel will complete fine decoration to be ready for opening in May 2011, and the decoration work for the apartments will be completed within 2011.

For projects in sale, more marketing will be taken to expedite cash inflow. The Group will exert itself to sell out the residential of Inner Mongolia Jinyu Times City (內蒙金隅時代城), Jinyu Xihaian Phase II (金隅西海岸二期), Dachengjun (大成郡), Jinyu Vanke City (金隅萬科城), Hangzhou Jinyu Guanlan Times (杭州金隅觀瀾時代) and Linglongtiandi (玲瓏天地). Property sales will be started for Tangshan Project (唐山項目) in the first half of 2011, for the residential part of housing renovation project in north area of Xisanqi in the third quarter of 2011, and for other projects within the coming year, including Tianjin Jinyu Yuecheng (天津金隅悅城), Jinyu Xihaian (金隅西海岸), Chongqing Chayuan (重慶茶園) and the project in Haikou. In addition, confirmation procedures of potential housing occupants for affordable housing projects will be accelerated, aiming to confirm all potential housing occupants within the coming year for Jinyu Kanghuiyuan (金隅康惠園), Jiaheyuan (嘉和園) and the housing project with restrictions on house and land prices on the land owned by Yanshan Cement Plant Co., Ltd..

The development of self-owned land resources will be expedited, with priorities on land planning adjustment and primary land development for Xingpai (星牌), Beiao (北奧), Xisanqi region (西三旗地區), Xisha (西砂), Tuqiao Phase IV (土橋四期) and other land parcels to ensure the acquisition of project development right at competitive prices.

4. Property Investment and Management Segment

The preparation work for operation of Sheraton Jinyu Hotel and its apartments will be pushed ahead with strong preliminary promotion, to ensure the hotel to commence operation in the first half of 2011, and the apartments within 2011. For the central area project in Fengshan Hotspring Resort, the preliminary study together with the procedures for land user change and land usage change will be stepped up. The tourism resources of Mangshan Forest Park are yet to be further developed. Badaling Resort will speed up the improvement of supporting facilities to show profit earlier. For newly acquired commercial projects of Beijing Jianji, it will press forward the leasing work. In the first half of 2011, the commercial part of Time Landmark (當代名築) will commence full-scope operation. During 2011, the Group will officially take over the commercial project of Kanghuiyuan (康惠園).

USE OF PROCEEDS

The Company raised proceeds of approximately HK$6.85 billion from its initial public offer on the Hong Kong Stock Exchange on 29 July 2009. After deducting overseas listing related expenses, the net proceeds available for utilisation were approximately HK$6.55 billion (approximately equivalent to RMB5.81 billion). As stated in the prospectus of the Company dated 17 July 2009 and the announcement of the Company dated 17 January 2010, the Group had plans to use such proceeds obtained. The amount applied to the intended use and the residual amount to be used as at 31 December 2010 were as follows:

Usage	**Intended planned use during the period from 29 July 2009 to 31 December 2009**	**Used during the period from 29 July 2009 to 31 December 2009**	**Intended planned use of the residual proceeds for the year ended 31 December 2010**	**Actual amounts used during the year ended 31 December 2010**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cement segment	2,150,000	71,400	1,465,600	1,465,600*
Modern building materials segment	407,000	404,000	–	–
Property development segment	1,801,000	2,284,000	–	–
Repayment of bank loans	871,000	866,000	–	–
Working capital and other general corporate purposes	581,000	719,000	–	–
Total	**5,810,000**	**4,344,400**	**1,465,600**	**1,465,600**

* As disclosed in the announcement of the Company dated 17 January 2010, the aggregate consideration of the acquisitions of Zhuolu Cement, Zhenxing Cement, Zhangjiakou Cement, Quyang Cement, Dacheng Group and Shanghai Sanming of approximately RMB1,496 million was funded by the proceeds from the initial public offering.

RECONCILIATION BETWEEN CASs AND HKFRSs

	Equity attributable to owners of the Company	
	As at 31 December 2010	As at 31 December 2009
	RMB'000	*RMB'000* (Restated)
Prepared under CASs	**16,447,287**	16,936,041
Difference arising from assets valuation of the corporate restructuring	**(273,049)**	(287,347)
Prepared under HKFRSs	**16,174,238**	16,648,694

	Profit attributable to owners of the Company for the year ended	
	31 December 2010	31 December 2009
	RMB'000	*RMB'000* (Restated)
Prepared under CASs	**2,701,993**	1,889,862
Difference arising from assets valuation of the corporate restructuring	**14,299**	16,068
Prepared under HKFRSs	**2,716,292**	1,905,930

EVENTS AFTER THE REPORTING PERIOD

(a) Pursuant to the equity transfer agreements dated 23 February 2010 and the supplementary agreements dated 31 December 2010, the Company acquired 65% equity interest in Beijing Chinefarge Cement Co., Ltd. and 70% equity interest in Beijing Shunfa Lafarge Cement Co., Ltd. from the Lafarge China Offshore Holding Co. Ltd. at considerations of approximately RMB339,381,000 and RMB110,681,000, respectively. The controls and ownerships of the above two companies were transferred to the Company in 1 January 2011. The Group is in the process of making an assessment of the fair value of the identified assets and liabilities of the acquired entities.

(b) For the purpose of merging of Taihang Cement with the Company, the Company issued 410,404,560 A shares of the Company ("A Shares") in exchange for shares of Taihang Cement held by non-controlling shareholders of Taihang Cement at an exchange ratio of the Company's 1.2 A Shares for one Taihang Cement share. The shares of Taihang Cement were delisted from the Shanghai Stock Exchange on 18 February 2011 and the A Shares of the Company are listed on the Shanghai Stock Exchange on 1 March 2011. In connection with the issuance of the A Shares by the Company, the existing 2,365,470,065 domestic shares and 338,480,000 unlisted foreign shares of the Company were converted into the A Shares and traded at the Shanghai Stock Exchange on the same conditions in all respects as those of the A Shares issued in exchange for Taihang Cement shares, save for the statutory lock-up restrictions ranging from one to three years, depending on the holders of the domestic shares and the unlisted foreign shares.

The table below sets out the change of the shareholding structure of the Company as a result of the issue of the A Shares:

	Before issue of A Shares		**After issue of A Shares**	
	Number of shares	*%*	*Number of shares*	*%*
Unlisted shares				
– Domestic shares	2,365,470,065	61.07	–	–
– Foreign shares	338,480,000	8.74	–	–
H shares	1,169,382,435	30.19	1,169,382,435	27.30
A shares	–	–	3,114,354,625	72.70
Total	3,873,332,500	100.00	4,283,737,060	100.00

The A Shares hold by the Parent of 1,844,852,426 shares are subject to a lock-up period of 36 months and the A Shares converted from the other domestic shares and unlisted foreign shares of 950,302,199 shares are subject to a lock-up period of 12 months.

Taihang Cement will be deregistered after merger with the Company and its assets and liability will be transferred to the Company.

COMPARATIVE AMOUNTS

Due to the business combination under common control during the year, comparative amounts in the consolidated financial statements have been restated to conform with the basis of preparation as stated in note 2.1 above.

CORPORATE GOVERNANCE CODE

Good corporate governance is conducive to enhancing overall performance and accountability and is essential in modern corporate administration. The Board continuously observes the principles of good corporate governance in the interests of shareholders and devotes considerable effort identifying and formalizing best practice. The Company has adopted the code provisions contained in the Code on Corporate Governance Practices set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "CG Code"). The Company has complied with the CG Code during the year ended 31 December 2010.

The balance of power and authorities is ensured by the operation of the Board and the senior management, which comprise experienced and high caliber individuals. The Board currently comprises six executive Directors, one non-executive Director and four independent non-executive Directors. It has a strong independence element in its composition.

MODEL CODE

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2010.

AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to the provisions of the CG Code with written terms of reference, aiming at reviewing and supervising the Group's financial reporting procedures. The Audit Committee is composed of one non-executive Director and four independent non-executive Directors. At a meeting convened on 29 March 2011, the Audit Committee has reviewed and considered the audited consolidated financial statements of the Group for the year ended 31 December 2010. The Audit Committee has also recommended the Board to adopt the Group's audited consolidated financial statements for the year ended 31 December 2010.

Members of the Audit Committee are Mr Zhang Chengfu (independent non-executive Director), Mr Hu Zhaoguang (independent non-executive Director), Mr Xu Yongmo (independent non-executive Director), Mr Zhou Yuxian (non-executive Director) and Mr Yip Wai Ming (independent non-executive Director). Mr Zhang Chengfu is the chairman of the Audit Committee.

REMUNERATION AND NOMINATION COMMITTEE

The Company has established the Remuneration and Nomination Committee with written terms of reference. The primary duties of the Remuneration and Nomination Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, review the performance-based remuneration, ensure that no Director is involved in determining his own remuneration and nominate candidates to fill up any vacancy of the Board. The Remuneration and Nomination Committee consists of five members, namely Mr Jiang Weiping (executive Director), Mr Shi Xijun (executive Director), Mr. Hu Zhaoguang (independent non-executive Director), Mr Xu Yongmo (independent non-excutive Director) and Mr Zhang Chengfu (independent non-executive Director). Mr Jiang Weiping is the chairman of the Remuneration and Nomination Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2010, the Company and its subsidiaries did not purchase, sell or redeem any of the listed securities of the Company.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.bbmg.com.cn). The annual report for the year ended 31 December 2010 prepared in accordance with the HKFRSs and containing all the information required by Appendix 16 to the Listing Rules will be despatched to the shareholders and will be available for review on the same websites in due course. The annual report for the year ended 31 December 2010 and its abstract prepared in accordance with CASs will be released on the website of the Shanghai Stock Exchange (http://www.sse.com.cn) and the website of the Company (http://www.bbmg.com.cn) around the same time as this annual results announcement.

DIVIDEND

The Board recommended a final dividend of RMB0.07 per share for the year ended 31 December 2010, subject to approval by the shareholders at the annual general meeting to be held on 24 May 2011 (Tuesday).

Subject to and upon the approval of the shareholders of the forthcoming annual general meeting, the final dividend for the year ended 31 December 2010 is expected to be distributed on or before 22 July 2011 (Friday) to the holders of H shares. The record date of the proposed final dividend for holders of H shares and the relevant information on the distribution of final dividend will be disclosed in a separate announcement to be published in due course. According to the Law on Enterprise Income Tax of the People's Republic of China and its implementing rules which came into effect on 1 January 2008, the Company is required to withhold enterprise income tax at the rate of 10% before distributing the final dividend to non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company. Any H shares registered in the name of the non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations shall be deemed as shares held by non-resident enterprise shareholders and therefore their dividends receivables will be subject to the withholding of the corporate income tax.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members for H shares of the Company will be closed from 25 April 2011 (Monday) to 24 May 2011 (Tuesday), both days inclusive, for the purpose of determining entitlements of the shareholders the right to attend and vote at the forthcoming annual general meeting. In order to qualify for the right to attend and vote at the forthcoming annual general meeting of the Company to be held on 24 May 2011 (Tuesday), all transfers, accompanied by the relevant share certificates, must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 21 April 2011 (Thursday).

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 24 May 2011 (Tuesday). Notice of the annual general meeting will be issued and despatched to shareholders in due course.

APPRECIATION

Lastly, on behalf of the Board, I would like to express my gratitude to the shareholders and business partners of the Group for their support and assistance over the reporting period. I believe that with the tremendous support of the shareholders and the concerted efforts of all staff, the Company will further achieve a rapid development of its businesses and create greater investment value for the shareholders.

By order of the Board
BBMG Corporation*
Jiang Weiping
Chairman

Beijing, the PRC
30 March 2011

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