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 2011

2011 ANNUAL RESULTS HIGHLIGHTS

- Revenue of RMB27,410.6 million, increased by 24.3% from 2010
- Gross profit of RMB6,931.2 million, increased by 35.5% from 2010
- Profit for the year of RMB3,593.1 million, increased by 20.1% from 2010
- Net profit attributable to owners of the Company of RMB3,428.6 million, increased by 24.4% from 2010
- Core net profit attributable to owners of the Company (excluding the after tax net fair value gains on investment property) of RMB2,755.0 million, increased by RMB594.6 million from 2010, representing an increase of 27.5%
- Basic earnings per share attributable to ordinary equity holders of the Company was RMB0.81
- The Board proposed a final dividend of RMB0.072 per share for the year ended 31 December 2011

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 2011 (the "Reporting Period") together with the comparative figures for the year of 2010 (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 2011, the Group achieved a profit attributable to owners of the Company of approximately RMB3,428.6 million, representing an increase of approximately 24.4% over the last year; basic earnings per share was approximately RMB0.81 (year ended 31 December 2010: RMB0.71 (restated)), representing an increase of RMB0.10 over the last year; net asset value was approximately RMB21,715.6 million as at the end of the Reporting Period, representing an increase of approximately RMB2,768.1 million at the beginning of the Reporting Period; and net asset value per share as at the end of the Reporting Period was approximately RMB5.07, representing an increase of approximately RMB0.18 at the beginning of the Reporting Period.

DIVIDEND

The Board recommended a final dividend of RMB0.072 per share for the year ended 31 December 2011 (year ended 31 December 2010: RMB0.070), subject to approval by the shareholders at the forthcoming annual general meeting to be held on 24 May 2012 (Thursday).

Subject to and upon the approval of the shareholders of the forthcoming annual general meeting, the final dividend for the year ended 31 December 2011 is expected to be distributed on or around 23 July 2012 (Monday) to the holders of H shares whose names appear on the register of members on 18 June 2012. 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.

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December 2011 RMB'000	2010 RMB'000 (Restated)
REVENUE	4	**27,410,640**	22,055,281
Cost of sales		**(20,479,456)**	(16,939,088)
Gross profit		**6,931,184**	5,116,193
Other income and gains	4	**1,843,802**	1,360,697
Fair value gains on investment properties, net		**898,220**	793,674
Selling and distribution costs		**(1,098,293)**	(857,140)
Administrative expenses		**(2,122,305)**	(1,572,480)
Other expenses		**(478,450)**	(202,021)
Finance costs	6	**(807,541)**	(360,831)
Share of profits and losses of:			
Jointly-controlled entities		**(38,979)**	(14,435)
Associates		**(7,793)**	(7,597)
PROFIT BEFORE TAX	5	**5,119,845**	4,256,060
Income tax expense	7	**(1,526,719)**	(1,265,310)
PROFIT FOR THE YEAR		**3,593,126**	2,990,750
Attributable to:			
Owners of the Company		**3,428,645**	2,755,658
Non-controlling interests		**164,481**	235,092
		3,593,126	2,990,750
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	**RMB0.81**	RMB0.71

Details of the dividends proposed for the year ended 31 December 2011 are disclosed in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2011 *RMB'000*	2010 *RMB'000* (Restated)
PROFIT FOR THE YEAR	**3,593,126**	2,990,750
OTHER COMPREHENSIVE INCOME		
Available-for-sale investments:		
Changes in fair value	**(23)**	(92)
Reclassification for gain on disposal	**–**	(6,677)
Income tax effect	**6**	1,692
	(17)	(5,077)
Gain on property revaluation	**–**	95,765
Income tax effect	**–**	(23,941)
	–	71,824
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(17)**	66,747
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**3,593,109**	3,057,497
Attributable to:		
Owners of the Company	**3,428,628**	2,822,405
Non-controlling interests	**164,481**	235,092
	3,593,109	3,057,497

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 31 December 2011** *RMB'000*	As at 31 December 2010 *RMB'000* (Restated)	As at 1 January 2010 *RMB'000* (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**15,542,388**	13,998,125	9,197,507
Investment properties		**11,599,000**	10,592,900	9,730,785
Land use rights		**2,764,960**	2,609,185	1,959,394
Goodwill		**312,052**	313,559	257,283
Other intangible assets		**45,590**	36,316	27,451
Mining rights		**478,557**	181,990	176,039
Prepayments		**30,620**	35,070	27,354
Investments in jointly-controlled entities		**117,489**	221,559	241,325
Investments in associates		**302,919**	312,645	325,827
Available-for-sale investments		**20,001**	21,351	33,877
Deferred tax assets		**736,018**	457,938	269,558
Total non-current assets		**31,949,594**	28,780,638	22,246,400
CURRENT ASSETS				
Inventories		**27,269,466**	20,994,435	10,716,325
Trade and bills receivables	*10*	**4,848,729**	3,253,521	2,128,511
Prepayments, deposits and other receivables		**4,444,984**	3,734,390	2,842,279
Tax recoverable		**151,987**	78,811	91,320
Restricted cash		**2,792,008**	256,531	161,857
Cash and cash equivalents		**5,126,471**	5,030,592	6,272,065
		44,633,645	33,348,280	22,212,357
Non-current assets held for sale		**173,754**	–	155,962
Total current assets		**44,807,399**	33,348,280	22,368,319
CURRENT LIABILITIES				
Trade and bills payables	*11*	**5,435,953**	4,419,258	2,763,726
Other payables and accruals		**17,093,330**	12,785,448	8,861,916
Dividend payable		**33,196**	8,213	35,727
Interest-bearing bank loans		**14,890,985**	9,328,818	3,372,400
Taxes payable		**1,677,329**	1,258,099	729,713
Provision for supplementary pension subsidies and early retirement benefits		**43,456**	42,649	42,156
Total current liabilities		**39,174,249**	27,842,485	15,805,638

	Notes	As at 31 December 2011 RMB'000	As at 31 December 2010 RMB'000 (Restated)	As at 1 January 2010 RMB'000 (Restated)
NET CURRENT ASSETS		**5,633,150**	5,505,795	6,562,681
TOTAL ASSETS LESS CURRENT LIABILITIES		**37,582,744**	34,286,433	28,809,081
NON-CURRENT LIABILITIES				
Interest-bearing bank loans		**7,772,597**	7,570,445	4,778,361
Corporate bonds and notes	*12*	**4,687,099**	4,684,792	1,879,184
Deferred tax liabilities		**2,234,701**	1,724,638	1,410,746
Provision for supplementary pension subsidies and early retirement benefits		**528,129**	540,533	562,841
Deferred income		**644,602**	678,251	664,170
Other non-current liabilities		**–**	140,292	140,292
Total non-current liabilities		**15,867,128**	15,338,951	9,435,594
Net assets		**21,715,616**	18,947,482	19,373,487
EQUITY				
Equity attributable to owners of the Company				
Issued capital		**4,283,737**	3,873,333	3,873,333
Reserves		**15,561,613**	12,892,521	13,359,459
Proposed final dividend	*9*	**308,429**	299,862	271,133
		20,153,779	17,065,716	17,503,925
Non-controlling interests		**1,561,837**	1,881,766	1,869,562
Total equity		**21,715,616**	18,947,482	19,373,487

NOTES:

1. CORPORATE INFORMATION

BBMG Corporation 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 are principally engaged in the manufacture and sale of cement and modern building materials, property development, property investment, and the 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 People's Government of Beijing Municipal ("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 classified as 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

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2011. 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 acquisition method of accounting. This method of accounting involves allocating the consideration transferred for a business combination, which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree, to the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. Under the acquisition 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 results 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.

Total comprehensive income within a subsidiary is 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 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*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC) – Int 14 Amendments	Amendments to HK(IFRIC) – Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC) – Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further described below, the adoption of these new and revised HKFRSs did not have any material effect on the financial position or performance of the Group.

Improvements to HKFRSs (2010) allows a first-time adopter of HKFRSs to use an event-driven fair value as deemed cost of its certain assets, even if the event occurs after the date of transition, but before the first HKFRS financial statements are issued. Entities that adopted HKFRSs in previous periods are permitted to apply this amendment retrospectively in the first annual period after the amendment is effective. With effect from 1 January 2011, the Group has applied this amendment retrospectively, and the revalued amount of the items of property, plant and equipment and completed properties held for sale, which are revalued at the date of the incorporation of the Company in 2005, has been recognised as their deemed cost in the consolidated financial statements. These items of property, plant and equipment and completed properties held for sale were previously carried at historical cost. The above change in accounting policy was made with a view to aligning the accounting policies adopted in the financial statements of the Group prepared under HKFRSs and the Chinese Accounting Standards for Business Enterprises (the "CASs") issued by the Ministry of Finance of the PRC.

By retrospective applying this amendment, the balances of property, plant and equipment and completed properties held for sale as at 31 December 2010 are restated to reflect the revalued amount and any subsequent effect of depreciation and amortization with an increase in their carry amount and net assets of the Group as at 1 January 2010 and 31 December 2010 of RMB78,686,000 and RMB67,164,000, respectively. The effect on the consolidated income statement for the year ended 31 December 2011 was to increase costs and expenses of RMB 5,270,000 (2010: RMB11,522,000).

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 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* [1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets* [1]
HKFRS 9	*Financial Instruments* [5]
HKFRS 10	*Consolidated Financial Statements* [4]
HKFRS 11	*Joint Arrangements* [4]
HKFRS 12	*Disclosure of Interests in Other Entities* [4]
HKFRS 13	*Fair Value Measurement* [4]
HKAS 1 Amendments	Amendments to HKFRS 1 – *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* [3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets* [2]
HKAS 19 (2011)	*Employee Benefits* [4]
HKAS 27 (2011)	*Separate Financial Statements* [4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures* [4]
HK(IFRIC) – Int 20	*Stripping Costs in the Production Phase of a Surface Mine* [4]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2013
5 Effective for annual periods beginning on or after 1 January 2015

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.

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 resources 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 the Mainland China, and no non-current assets of the Group are located outside the 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 2011

	Cement	Modern building materials	Property development	Property investment and management	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue:					
Sales to external customers	12,796,375	4,987,498	8,279,405	1,347,362	27,410,640
Intersegment sales	22,403	391,334	–	23,569	437,306
Total revenue	12,818,778	5,378,832	8,279,405	1,370,931	27,847,946
Reconciliation:					
Elimination of intersegment sales					(437,306)
Revenue					27,410,640
Segment results	2,009,117	321,595	2,325,219	1,526,796	6,182,727
Reconciliation:					
Elimination of intersegment results					(938)
Interest income					44,539
Corporate and unallocated expenses, net					(298,942)
Finance costs					(807,541)
Profit before tax					5,119,845
Other segment information					
Share of profits and losses of jointly-controlled entities	–	(33,011)	(7,191)	1,223	(38,979)
Share of profits and losses of associates	(3,226)	(4,567)	–	–	(7,793)
Fair value gains on investment properties, net	–	76,500	14,900	806,820	898,220
Impairment losses recognised in the income statement, net	96,509	16,349	–	56,566	169,424
Depreciation and amortisation	845,852	103,458	8,107	137,419	1,094,836
Investments in jointly-controlled entities	–	103,054	10,000	4,435	117,489
Investments in associates	19,634	283,285	–	–	302,919
Capital expenditure	1,948,234	313,199	22,307	741,746	3,025,486

Year ended 31 December 2010

	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	9,925,990	4,004,453	6,964,045	1,160,793	22,055,281
Intersegment sales	20,786	268,448	–	51,944	341,178
Total revenue	9,946,776	4,272,901	6,964,045	1,212,737	22,396,459
Reconciliation:					
Elimination of intersegment sales					(341,178)
Revenue					22,055,281
Segment results	1,523,273	416,068	1,681,248	1,115,962	4,736,551
Reconciliation:					
Elimination of intersegment results					(21,065)
Interest income					24,768
Corporate and unallocated expenses, net					(123,363)
Finance costs					(360,831)
Profit before tax					4,256,060
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	(8,162)	–	–	(7,597)
Fair value gains on investment properties, net	–	69,100	25,400	699,174	793,674
Impairment losses recognised in the income statement, net	72,558	3,174	–	165	75,897
Depreciation and amortisation	623,540	105,458	13,009	96,541	838,548
Investments in jointly-controlled entities	–	136,064	81,640	3,855	221,559
Investments in associates	22,860	289,785	–	–	312,645
Capital expenditure	4,913,714	285,483	11,520	596,040	5,806,757

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; gross 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:

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Sale of goods	**16,429,354**	12,806,603
Sale of properties	**8,281,072**	7,028,105
Gross rental income from investment properties	**646,584**	503,088
Property management fees	**421,388**	363,646
Rendering of services	**921,260**	832,535
Industrial waste processing	**273,131**	196,256
Hotel operations	**270,402**	216,784
Others	**167,449**	108,264
	27,410,640	22,055,281
Other income and gains		
Gross rental income from lease of plant and machinery	**138,179**	141,227
Gain on disposal of items of property, plant and equipment	**30,816**	35,717
Gain on disposal of land use rights	**309,571**	177,037
Gain on disposal of investment properties	**92,665**	79,846
Fair value gain from remeasurement of a previously held equity investment in a jointly-controlled entity at the date of acquisition	**349,142**	–
Fair value gains, net		
– Available-for-sale investments (transfer from equity on disposal)	**–**	5,957
Gain on disposal of jointly-controlled entities	**–**	52,126
Gain on disposal of an associate	**11**	–
Gain on disposal of unlisted shares	**824**	–
Bank interest income	**44,539**	24,768
Other interest income	**27,718**	1,171
Relocation compensation	**12,187**	24,841
Government grants		
– Release of deferred income	**53,305**	50,567
– Value-added tax refund	**395,247**	568,276
– Others	**85,060**	38,984
Service fee income	**77,915**	30,332
Waiver of other payables	**81,145**	44,252
Others	**145,478**	85,596
	1,843,802	1,360,697

5. PROFIT BEFORE TAX

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

	2011 *RMB'000*	2010 *RMB'000* (Restated)
Cost of inventories sold	**18,038,928**	15,097,282
Cost of services provided	**2,440,528**	1,841,806
Depreciation	**1,009,737**	782,441
Impairment of items of property, plant and equipment	**90,577**	39,827
Impairment of trade receivables, net	**16,623**	21,909
Impairment of other receivables, net	**38,132**	12,412
Impairment of inventories	**22,585**	1,749
Impairment of goodwill	**1,507**	–
Amortisation of land use rights	**66,245**	46,149
Amortisation of other intangible assets	**4,557**	3,196
Amortisation of mining rights	**14,297**	6,762
Research and development costs	**69,042**	50,436
Gain on disposal of items of property, plant and equipment, net	**(17,544)**	(7,764)
Gain on disposal of investment properties, net	**(21,171)**	(79,846)
Gain on disposal of land use rights	**(309,571)**	(177,037)
Gain on disposal of jointly-controlled entities	**–**	(52,126)
Gain on disposal of an associate	**(11)**	–
Gain on disposal of unlisted shares	**(824)**	–
Release of deferred income	**(53,305)**	(50,567)
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	**1,165,255**	824,351
Pension scheme contributions (defined contribution schemes)	**326,810**	179,211
Supplementary pension subsidies and early retirement benefits	**24,716**	15,094
Welfare and other expenses	**142,217**	87,297
	1,658,998	1,105,953

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Interest on bank loans	**1,107,373**	573,014
Interest on corporate bonds and notes	**238,837**	109,588
Less: Interest capitalised	**(538,669)**	(321,771)
	807,541	360,831

7. INCOME TAX

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Current:		
PRC corporate income tax ("CIT")	**1,118,013**	876,813
PRC land appreciation tax ("LAT")	**449,836**	328,822
	1,567,849	1,205,635
Deferred	**(41,130)**	59,675
Total tax charge for the year	**1,526,719**	1,265,310

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate 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:

	2011		2010	
	RMB'000	*%*	*RMB'000*	*%*
			(Restated)	
Profit before tax	**5,119,845**		4,256,060	
Tax at the statutory tax rate	**1,279,961**	**25.0**	1,064,015	25.0
Income not subject to tax	**(204,512)**	**(4.0)**	(85,385)	(2.0)
Expenses not deductible for tax	**31,512**	**0.6**	44,539	1.0
Preferential tax rates or concessions	**(40,818)**	**(0.8)**	(36,381)	(0.9)
Profits and losses attributable to jointly-controlled entities and associates	**11,693**	**0.2**	5,508	0.1
Tax losses utilised from previous years	**(14,907)**	**(0.3)**	(16,054)	(0.4)
Tax losses not recognised	**126,413**	**2.5**	42,451	1.0
Land appreciation tax	**449,836**	**8.8**	328,822	7.7
Effect of land appreciation tax	**(112,459)**	**(2.2)**	(82,205)	(1.9)
Tax charge at the Group's effective rate	**1,526,719**	**29.8**	1,265,310	29.7

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 (2010: Nil).

PRC CIT

The Company and all of its subsidiaries that operate in the Mainland China were subject to the statutory corporate income tax rate of 25% for the year ended 31 December 2011 (2010: 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 RMB414,000 (2010: RMB472,000) 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 RMB3,331,000 (2010: RMB2,655,000) is included in "Share of profits and losses of associates" on the face of the consolidated income statement.

PRC LAT

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.

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	**3,428,645**	2,755,658

	Number of shares	
	2011	2010
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**4,224,144,069**	3,873,332,500

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2011 and 2010 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

9. DIVIDEND

	2011	2010
	RMB'000	*RMB'000*
Proposed final – RMB0.072 (2010: RMB0.070) per ordinary share	**308,429**	299,862

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

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Trade receivables	**3,860,369**	2,991,832
Bills receivable	**1,347,906**	627,001
Less: Impairment	**(359,546)**	(365,312)
	4,848,729	3,253,521

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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

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, net of provisions, is as follows:

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Within 6 months	**2,124,822**	1,599,211
7 to 12 months	**1,117,075**	731,615
1 to 2 years	**216,315**	219,044
2 to 3 years	**29,769**	30,373
Over 3 years	**12,842**	46,277
	3,500,823	2,626,520

11. TRADE AND BILLS PAYABLES

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Trade payables	**5,074,137**	4,094,175
Bills payable	**361,816**	325,083
	5,435,953	4,419,258

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 as at the end of the Reporting Period, based on the invoice date, is as follows:

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Within 3 months	**2,214,703**	2,146,321
4 to 6 months	**828,708**	490,539
7 to 12 months	**839,141**	577,635
1 to 2 years	**824,326**	661,450
2 to 3 years	**106,009**	105,164
Over 3 years	**261,250**	113,066
	5,074,137	4,094,175

12. CORPORATE BONDS AND NOTES

The Company issued seven-year corporate bonds of RMB1.9 billion in aggregate in principal (the "Seven-year Bonds") to institutional investors in Mainland China in April 2009. The Seven-year Bonds bear interest at 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 Center, an entity administered by 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 interest at fixed interest rates of 4.38% and 5.85% per annum, respectively. The interests are paid annually.

The Seven year Bonds and the 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 present to you the annual results of the Group for year ended 31 December 2011, and the satisfactory performance of the Group during the said period for your review.

Annual Results

For the year ended 31 December 2011, the sales revenue and the profit attributable to owners of the Company amounted to RMB27,410.6 million and RMB3,428.6 million respectively, representing an increase of 24.3% and 24.4% year-on-year respectively. The favourable growths were mainly attributable to (i) the release of a number of newly constructed and acquired cement capacity in the regions during the Reporting Period, which resulted in a significant increase in production and sales volume of the Company; and (ii) continuous expansions of the property development segment during the Reporting Period which has become a major source of profit for the Company, as driven by the accelerating development of affordable housing and the successful operations of commercial properties. Basic earnings per share attributable to owners of the Company was approximately RMB0.81 (2010: RMB0.71 per share (restated)).

Dividends

The Board has proposed to pay a final dividend of RMB0.072 per share for the year ended 31 December 2011 (2010: RMB0.070 per share). No interim dividend was recommended by the Board during the Reporting Period, and the total distribution of dividends for the year ended 31 December 2011 was RMB0.072 per share (2010: RMB0.070 per share).

Business Environment

Looking back on 2011, the world economy further slowed down its growth paces alongside the sluggish recovery of developed economies, despite the sound momentum of emerging economies and their further enhanced positions globally. Domestically, with the accelerating transformation of economic growth model and structural adjustment under the proactive fiscal policies and prudent monetary policies as well as effective macro economic control packages, the PRC government managed to curb the inflation and minimize the risks associated with asset bubbles, and steered the economy into a normalized growth track. According to the National Bureau of Statistics, China's GDP grew by 9.2% in 2011 as compared with that in 2010 and nationwide fixed asset investment rose by 23.8% year-on-year in 2011 to RMB30.1933 trillion. Property investment surged by 27.9% year-on-year in 2011 to RMB6.1740 trillion. The continuous economic growths and fixed asset investments contributed to the favorable 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, made scientific decisions based on prudent judgments on rational strategic deployment, business structure optimization and efficient resource allocation to highlight strengths of the core business chain. The Group strengthened capital operations and resources consolidation, aggressively expanded the business in regional markets and enhanced integration of regional resources and internal and external strategic resource reserves, 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 Company successfully completed the merger of Hebei Taihang Cement Co., Ltd. ("Taihang Cement") and the listing on the A share market, opening a new page for leveraging on domestic and overseas capital markets for development.

Industry Development

During the Reporting Period, the Ministry of Industry and Information Technology promulgated the Development Plan for Cement Industry in the Twelfth Five-year Plan Period on 9 November 2011 in accordance with the Twelfth Five-year Plan for National Economy and Social Development and the Industrial Transformation and Upgrading Plan. The plan consists of six parts including existing status and development environment, guidelines, basic principles and main objectives, development priorities, key projects and supporting measures. It is designed to improve the development quality and efficiency and facilitate the transformation and upgrading of the cement industry by directing it to accelerate the transformation of development model through vigorously promoting energy conservation, mergers and reorganizations, elimination of obsolete capacity and technological progress in the Twelfth Five-year Plan period. According to the major targets set forth in the plan, by 2015, the industrial value addition of sizable enterprises should reach a compound annual growth rate of over 10%; 250 million tonnes of obsolete cement capacity should be eliminated; major pollutants should be discharged according to standards, and notable progress in collaborative treatment should be achieved with the collaborative treatment rate reaching 10%; the total comprehensive utilization volume of waste should increase by 20%; products of 42.5 grade and above should account for 50% or more in consumption; and the top 10 producers should represent 35% or more of total production.

In the meantime, the State Council issued the Comprehensive Work Proposal for Energy Conservation and Emission Reduction in the Twelfth Five-year Plan Period in 2011, and thus the urban sludge treatment was listed as one of the key national programmes for pollutant emission reduction in the Twelfth Five-year Plan period. The utilization of cement kilns is put forward as an assistance to mitigate the pressure on urban trash and sludge treatment and promote the cement industry evolving into a green functional industry.

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, expedite the low-carbon and environmentally-friendly development model for its cement enterprises and uplift the position and dominance of its cement business in the PRC cement market.

The tight control policies on domestic real estate market, having been implemented in 2011, are expected to last in the near future. Accordingly, the real estate industry has stepped into a reshuffling and restructuring stage, characterized by increasing industry concentration, diluted and rationalized profitability and an overall competitive landscape of "the strong stronger and the weak weaker". Compared to the tight industrial restrictive policies on commodity housing, the PRC central government continued to advance the construction of affordable housing by increasing land supply and giving much greater support to development funds. With the annual construction task accomplished in advance in November 2011, the housing difficulty for moderate to lower income families was further lessened. 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 position in property development market under the national plan for commencing construction of approximately 7 million units of affordable housing in 2012. Capitalizing 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 according to the national property policies.

Prospects

Given the instability and uncertainties in global recovery and based on an overview of international and domestic environment, the PRC is still in a crucial window of strategic opportunities with continuously positive economic fundamentals, and the keynote of "Advancing with stability" set by the PRC central government lays a solid foundation for industrial development. In 2012, the Company expects to benefit from new opportunities arising from the PRC central government's initiatives to promote real economy, accelerate construction of hydraulic structures and other infrastructures and support construction of affordable housing and urban shabby housing redevelopment.

The Group is committed to implementing the "moving out" development strategy (走出去發展戰略) to steadily extend business presence, enhancing the benchmarking management to improve operating efficiency, and pushing forward the restructuring to improve resource allocation. While steadfastly upgrading independent innovation capability to forge an innovation-driven development model, the Group will unremittingly uplift safety, environment and quality awareness to ensure the scientific and stable operations of the Group for sustainable and harmonious development.

With respect to the cement and ready-mixed concrete segment, the Group will continuously press ahead with business upgrading and transformation of development model in accordance with the requirements in the Development Plan for Building Materials Industry in the Twelfth Five-year Plan Period and the Development Plan for Cement Industry in the Twelfth Five-year Plan Period issued by the PRC central government. The Group will expand operations in a prudent manner based on scientific justifications to consolidate the "grand cross-shape" strategic layout (大十字戰略佈局) according to the market demand and the principle of circular economy. While accelerating progress of cement projects under construction and enhancing management over newly acquired projects, the Group aims to build up a bigger and stronger business arm of ready-mixed concrete, fully capitalizing its dominance as a market leader and regional synergy in the Pan Bohai and its peripheral markets. Ongoing efforts will be taken in technological innovations to strengthen the first-mover advantage in the circular economy sector with an aim at green development, business transformation and sustainable growth. Furthermore, the Group will exercise strong control over strategic resource reserves to ensure sufficient supplies for production in the long run, so as to steadily improve its operating quality and profitability.

With respect to the modern building materials segment, the Group will continuously improve its core competitiveness and achieve sustainable business development on the basis of “park-based production, high-end products, industrial scale merit, integrated sales and refined management”.

With respect to the property development segment, the Group will capture the opportunities implied in regulatory policies under its strategy of “accelerating cash flow” (好水快流) and adjusting “two structures” (兩個結構), realigning itself with industry trend and development to increase its contribution to construction of the affordable housing projects while steadily expanding commodity housing and commercial property projects. A series of measures will be taken to ensure development profit and improve comprehensive profitability, including project quality improvements, marketing concept innovations, shortening development cycles and enhancing its market influencing role. Strategic reserve of premium land resources will be expanded to ensure sustainable development. A priority will also be attached to costs control to ensure reasonable cost composition for effective dynamic monitoring and rational adjustments, with an aim at better development profitability. Tapping on the synergy among different industrial segments, the Group will extend active presence in the industrialization bases of the real estate industry in the PRC to realize commercial value of branded properties.

With respect to the property investment and management segment, the Company will carry forward asset integration, improve management mechanism on commercial properties operations and optimize customer structure on an ongoing basis, paving the way to overall improvements in asset operation capability and management quality. The advantages in management, talent and local markets will be brought into full play to forge the golden service quality of properties held on hand. Meanwhile, the Group will speed up new construction and outward expansion of commercial property projects to create new source of income growth and improve the sustainable development capability.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Financial Information

	2011	2010	Change
	RMB'000	*RMB'000*	
		(Restated)	
Revenue	**27,410,640**	22,055,281	24.3%
Gross profit	**6,931,184**	5,116,193	35.5%
Gross profit margin	**25.3%**	23.2%	Increase of 2.1 percentage points
Profit attributable to owners of the Company	**3,428,645**	2,755,658	24.4%
Basic earnings per share attributable to ordinary equity holders of the Company	**RMB0.81**	RMB0.71	14.1%
Cash and cash equivalents	**5,126,471**	5,030,592	1.9%
Total assets	**76,756,993**	62,128,918	23.5%
Net assets	**21,715,616**	18,947,482	14.6%

Summary of Business Information

1. *Cement Segment*

	2011	2010	Change
Sales volume:			
Cement (in thousand tonnes)	**36,720**	28,450	29.1%
Concrete (in thousand cubic meters)	**7,410**	8,420	–12.0%

2. *Modern Building Materials Segment*

	2011	2010	Change
Sales volume:			
Refractory materials (in thousand tonnes)	**270**	230	17.4%

3. *Property Development Segment*

	2011	2010	Change
		(Restated)	
Booked GFA (in thousand sq.m.)	**836**	872	–4.1%
Presales (sales) GFA (in thousand sq.m.)	**973**	898	8.4%

4. Property Investment and Management Segment

	2011	2010	Change
Gross GFA of investment property (in thousand sq.m.)	**742**	672	10.4%

Review of Macroeconomic Conditions and Industrial Development in 2011

1. Macroeconomic conditions: In 2011, faced with complicated and volatile international conditions as well as new issues arising in the domestic economy, the PRC government adhered to proactive fiscal policies and prudent monetary policies while continuously enhancing and improving its macro regulatory measures, which resulted in sound economic development in line with the goals of macro regulations. In 2011, China's GDP grew at a slower pace of 9.2% year-on-year to RMB47.2 trillion. Fixed-asset investment, a major driver of economic growth, was RMB30.1933 trillion, up 23.8% year-on-year. Excluding the impact of inflation, the actual growth of fixed-asset investment was 16.1%.

2. The cement industry: In 2011, while encouraging higher concentration of the cement industry and stepping up efforts on eliminating outdated capacity, the PRC government actively promoted energy saving and emission reduction as well as environmental protection industry development. During 2011, the cement industry operated and developed smoothly, maintaining continued growth in cement production while achieving substantial increase in efficiency. According to data released by the National Bureau of Statistics, cement production was 2.085 billion tonnes during 2011, up 11.7% year-on-year; clinker production was 1.307 billion tonnes, rising 11% year-on-year. The cement industry recorded sales revenue of RMB919.78 billion with a year-on-year growth of 36.9%; fixed-asset investment completed was RMB143.9 billion, down 8.3% year-on-year.

3. The property industry: In 2011, the PRC government introduced a series of property tightening polices, aiming to boost a healthy development of the property market by increasing land supply for residential projects, strengthening affordable housing construction and curbing unreasonable demand. Data from the National Bureau of Statistics reveals that during 2011, sales area of commodity housing nationwide amounted to 1.099 billion sq.m. and turnover amounted to RMB5.91 trillion, representing year-on-year growth of 4.9% and 12.1% respectively, and reflected a further slowdown in growth as compared with 2010. Construction of 10.43 million units of affordable houses was started nationwide, and 4.32 million units were completed across the PRC, of which 230,000 units were started and 100,000 units were completed in Beijing.

Review of the Company's Business Operations During the Reporting Period

1. Analysis of the overall operating performance of the Company and its business segments

In 2011, faced with challenges in the global economic environment and complications in the economic conditions both at home and abroad, the Board worked closely together in the pursuit of development, overcame difficulties to make structural adjustments and achieved considerable accomplishments amidst profound changes in the economic environment, maintaining satisfactory and rapid growth driven by innovation and getting off to a good opening of the twelfth five-year-plan period.

During the Reporting Period, the Company recorded a fast earnings growth. Operating revenue amounted to RMB27,410.6 million, up 24.3% year-on-year; profits before tax grew 20.3% year-on-year to RMB5,119.8 million; net profit was up 20.1% year-on-year to RMB3,593.1 million while net profits attributable to owners of the Company was RMB3,428.6 million, up 24.4% year-on-year.

(1) Cement segment: The Company steadily pushed forward the "grand cross-shape" strategy (大十字戰略佈局) to optimise its industry layout and strengthened its control of resources. The Company successfully acquired projects such as the Shanxi Zuoquan Liaozhou Cement project, the Henan Jiaozuo Yanxin Cement project and the Hebei Fengda Cement project, fully launched the Henan Qinyang Jinyu project and Hebei Xuanhua Jinyu carbide slag-based clinker production project in cooperation with China Haohua Chemical (Group) Corporation. The Company further fine-tuned its control measures and effectively implemented its unified quality control and central purchasing system, substantially improved its economic operation quality and comprehensive efficiency.

The Company proactively adjusted the developmental pattern of its ready-mixed concrete business, heightened control over the operation of its concrete subsidiaries, fine-tuned its overall sales management, strengthened its collection of receivables and re-arranged the location of its concrete subsidiaries and their corresponding mixing stations in a targeted manner, considerably enhanced the market operating capability, economic operation quality and profitability of its ready-mixed concrete subsidiaries.

During the Reporting Period, the cement segment recorded revenue from principal activities of RMB12,818.8 million, a year-on-year increase of 28.9%; gross profit reached RMB2,716.4 million, up 45.1% year-on-year. Aggregated sales volume of cement and clinker amounted to 36.72 million tonnes, an increase of 29.1% year-on-year, of which the sales volume of cement reached 27.99 million tonnes and that of clinker was 8.73 million tonnes; aggregated gross profit margin for cement and clinker was 23.0%, remaining flat year-on-year. Sales volume of concrete totalled 7.41 million cubic meters, a decrease of 12.0% year-on-year, while the gross profit margin for concrete was 10.7%, up 5.3 percentage points year-on-year.

(2) Modern building materials segment: The Company expedited the improvement of the "industrial park" management model with the development of Dachang Industrial Park and Doudian Industrial Park gradually yielding results. BBMG (Dachang) New Building Materials Co., Ltd. actively provided logistics support and external coordination for companies and projects in the Dachang Industrial Park, while Doudian Industrial Park completed infrastructure constructions including roads, water and power supply, gardening, renovation of office buildings as well as the posting of road signs in the industrial park. In addition, the Company continued to perfect its segmented operating model, strengthen the establishment of marketing channels, seize opportunities in cross-provincial markets, capitalise on national industrial policies and heighten the management of key projects.

During the Reporting Period, the modern building material segment achieved revenue from principal activities of RMB5,378.8 million, an increase of 25.9% year-on-year, and gross profit of RMB993.6 million, up 34.7% year-on-year.

(3) Property development segment: Sticking to the adjustment of the "two structures" (兩個結構) and the strategy of "accelerating cash flow" (好水快流), the Company quickly grasped the opportunities brought by new state policies and actively promoted the development of affordable housing projects and the process of relocation, effectively reducing operating risks as well as regulatory pressures. Meanwhile, by taking measures such as optimising product mix, adjusting sales strategy, strengthening cost control and enhancing project management, the Company ensured overall stable operation of this segment.

During the Reporting Period, the property development segment recorded revenue from principal activities of RMB8,279.4 million, an increase of 18.9% year-on-year, and gross profit of RMB2,457.5 million, up 29.9% year-on-year. Booked GFA for the year was 836,000 sq.m., down 4.1% year-on-year, of which booked GFA of commodity housing and affordable housing was 484,000 sq.m. and 352,000 sq.m. respectively, representing an increase of 14.9% year-on-year and a decrease of 22.0% year-on-year respectively. Aggregated contracted sales area was 973,000 sq.m., an increase of 8.4% year-on-year, of which aggregated contracted sales area of commodity housing and affordable housing was 424,000 sq.m. and 549,000 sq.m. respectively, an increase of 28.8% year-on-year and a decrease of 3.5% year-on-year, respectively. As at the end of the Reporting Period, the Company's land reserve totalled approximately 6,260,000 sq.m..

Major land reserve acquired by the Group in 2011

No.	Project Name	Date of Acquisition	Group's interest	Gross Planned Area *(sq.m.)*	Cost of Acquisition *(RMB thousand)*	Average GFA Land Price *(RMB/sq.m.)*
1	Dandian Project in Chaoyang District, Beijing (Jiayueyuan) (北京市朝陽區單店項目(嘉悅園))	May 2011	100%	203,031	774,300	3,814
2	Yanshan Project in Shijingshan District, Beijing (Binhexinyuan) (北京市石景山區燕山項目(濱河馨園))	July 2011	100%	225,604	625,500	2,773
3	Phase 2 of Xisanqi in Haidian District, Beijing (北京市海澱區西三旗二期)	August 2011	100%	136,046	1,010,000	7,424
4	Shuangliu Project in Chengdu (成都市雙流項目)	November 2011	80%	250,000	401,650	1,607
5	Xingpai Project in Chaoyang District, Beijing (北京市朝陽區星牌項目)	November 2011	100%	197,700	870,500	4,403
6	Guogongzhuang Project in Fengtai District, Beijing (北京市豐台區郭公莊項目)	December 2011	100%	151,989	917,000	6,033
Total				**1,164,370**	**4,598,950**	**3,950**

Note: Gross planned areas are exclusive of basement areas.

(4) Property investment and management segment: Making full use of its integrated advantages, the Company made progress in its property operation, property leasing, resort business as well as property management in an orderly manner, with continued improvements in the operation excellence, management capabilities and service quality of each subsidiary and project, realised growth in both operating scale and economic efficiency.

During the Reporting Period, property investment and management segment achieved revenue of RMB1,370.9 million, an increase of 13.0% year-on-year, and gross profit of RMB774.6 million, up 17.3% year-on-year. As at the end of the Reporting Period, the GFA of the Company's investment properties in the core districts of Beijing amounted to approximately 742,000 sq.m..

Investment properties held by the Group as at 31 December 2011

	Location	**Property Gross Area** *(ten thousand sq.m.)*	**Fair Value** *(RMB million)*	**Rental Unit Price** *(RMB/day)*	**Average Occupancy Rate**(note)	**Unit Fair Value** *(RMB/sq.m.)*
Phase 1 of Global Trade Center	North Third Ring Road, Beijing	10.5	2,170	6.8	94%	20,578
Phase 2 of Global Trade Center	North Third Ring Road, Beijing	14.5	2,490	4.9	95%	17,106
Phase 3 of Global Trade Center (G/F)	North Third Ring Road, Beijing	6.1	870	4.6	81%	14,273
Tengda Plaza	West Second Ring Road, Beijing	7.8	1,140	5.2	99%	14,658
Jin Yu Building	West Second Ring Road, Beijing	4.4	790	4.8	95%	17,824
Jianda Building/ Jiancai Jingmao Building	East Second Ring Road, Beijing	4.8	980	3.9	98%	20,605
Dacheng International Center	East Fourth Ring Road, Beijing	4.2	530	2.8	100%	12,766
	Sub-total	**52.3**	**8,970**			**17,141**
Other properties	Beijing Municipality	21.9	2,629			12,045
	Total	**74.2**	**11,599**			**15,700**

Note: The Group leases its investment properties under operating lease arrangements, with most of the leases negotiated for terms ranging from 1 to 19 years.

2. *Technological innovation, energy saving and environmental protection*

The Company pays close attention to technological innovation as well as energy saving and environmental protection, and attaches great importance to strengthening technological innovation and deepening energy saving and environmental protection.

(1) Increasing technological innovation capabilities

Steady progress has been made in integrated research and development and model projects such as the industrialisation of co-processing of fly ash in cement kilns and the industrialisation of cement incineration with PVC carbide slag in place of limestone, providing technical support for the transition of cement companies. The Company acted as a pioneer in the domestic market for A-grade construction fire-proof insulation systems with its research on and application of new ACF fire-proof construction wall insulation systems such as mineral wool, rockwool and phenol aldehyde fire-proof board, and creating opportunities for the development of the modern building materials segment. During the Reporting Period, the Company lodged 55 patent applications and 23 applications for invention patents. Moreover, the testing design program for the assembled concrete structure technology standards was approved by industry experts and will be issued and implemented as national standards.

(2) Steady progress in energy saving and environmental protection

The Company further pushed ahead with clean production, energy saving and emission reduction, and adhered to the requirements of high technical standards, low resource and energy consumption as well as minimal pollution and emissions in its new, renovation and expansion projects, materialising the shift from end-of-the-pipe treatment to source control and monitoring during the process. Beijing Cement Plant Co., Ltd. was included into the first batch of resource saving and environmentally friendly pilot enterprises by three national departments including the Ministry of Industry and Information Technology. The Fengshan Mine of Beijing Cement Plant Co., Ltd. was named as "National Green Mine Pilot Unit" and its sludge treatment project was included as "model projects for sludge treatment" by the National Development and Reform Committee and Ministry of Housing and Urban-Rural Development. The Company is currently compiling the "standards for waste co-processing and pollution prevention in cement kilns" with the Ministry of Environmental Protection. Tianjin Zhenxing Cement Co., Ltd. became the first company granted with the energy system certification. The environmental impact assessment on Beijing Liulihe Cement Co., Ltd.'s disposal of fly ash created by waste incineration in accordance with the standards for waste co-processing in cement kilns has been approved by the municipal environmental protection bureau. Beijing Jinyu Pinggu Cement Co., Ltd's sludge treatment project gained strong support from the district government, with its environmental impact assessment approved by the district environmental protection bureau and registered with the economic and informatisation committee.

Analysis of Financial Position for the Reporting Period

1. *Principal business operations*

Unit: RMB million

	Revenue	Cost of sales	Gross profit margin (%)	Increase or decrease in revenue as compared with last year (%)	Increase or decrease in cost of sales as compared with last year (%)	Increase or decrease in gross profit margin as compared with last year
Cement	12,818.8	10,102.4	21.2	28.9	25.1	Increase of 2.4 percentage points
Modern Building Materials	5,378.8	4,385.2	18.5	25.9	24.0	Increase of 1.2 percentage points
Property Development	8,279.4	5,821.9	29.7	18.9	14.8	Increase of 2.5 percentage points
Property Investment and Management	1,370.9	596.3	56.5	13.0	7.9	Increase of 2.1 percentage points
Eliminations	(437.3)	(426.3)	–	–	–	
Sub-total	**27,410.6**	**20,479.5**	**25.3**	**24.3**	**20.9**	Increase 2.1 percentage points

2. *Investment properties measured at fair value*

The Company conducted a subsequent measurement of the investment properties at fair value at the end of the Reporting Period. Changes in fair value are recognised in "fair value gains on investment properties, net" on the face of the consolidated income statement. The fair value is revalued by an independent professionally qualified valuer based on the prices in the open market on a regular basis.

No depreciation or amortisation of investment properties is included in the financial statements. The book value of investment properties is adjusted based on their fair value at the end of the Reporting Period. The difference between the fair value and the original book value is recognised in the profit or loss for the Reporting Period.

During the Reporting Period, the gains arising from changes in fair value of investment properties of the Group were RMB898.2 million, accounting for 17.5% of the profits before tax. The fair value gains on investment properties were mainly due to an upward revision to the fair value of the investment properties of the Group by the valuer based on the generally rising rental of commercial properties on the open market in Beijing.

3. Expenses during the Reporting Period

(1) Selling and distribution costs were RMB1,098.3 million, an increase of RMB241.2 million year-on-year. Such increase was mainly due to business expansion.

(2) Administrative expenses were RMB2,122.3 million, an increase of RMB549.8 million year-on-year. Such increase was mainly due to business expansion.

(3) Finance costs were RMB807.5 million, an increase of RMB446.7 million year-on-year. Such increase was mainly due to increased borrowings in line with the business needs of the Group and the upward adjustment in lending rates by the PRC government.

4. Cash flows

In 2011, a net increase of RMB95.9 million in cash and cash equivalents was recognised in consolidated financial statements of the Company. Such increase was the net result of (i) the net cash outflow generated from operating activities of RMB1,195.2 million (by adding back the housing prepayment of RMB2,484.0 million as regulated by the PRC government in the property segment, the actual net cash inflow generated from operating activities was RMB1,288.8 million), (ii) the net cash outflow generated from investment activities of RMB2,501.6 million, (iii) the net cash inflow generated from financing activities of RMB3,793.5 million and (iv) the exchange realignment of RMB0.8 million.

Outlook for 2012

The PRC government will continue to implement a proactive fiscal policy and a prudent monetary policy to maintain the continuity and stability of the macro economy in the year 2012. The general theme of promoting economic and social development is "making progress while maintaining stability" (穩中求進).

1. *Major Operational Goal*

In 2012, China's expected GDP growth target has dropped below 8% for the first time in the past eight years. On the other hand, the PRC government accelerated the construction of infrastructure such as water conservancy facilities, as well as strengthened its efforts in the construction of affordable housing and the renovation of dilapidated buildings and old houses in urban areas. Amid complex external economic situations and a difficult market environment, the Company will proactively respond to the challenges and opportunities ahead and place its focus on the four main business segments of cement, modern building materials, property development, and property investment and management, with an aim to achieving a stable growth of revenue and profit.

2. *Development Strategy*

(1) *Cement Segment:*

The Company will keep on strengthening and developing the "grand cross-shape" strategy by stepping up on merger and acquisition while building and expanding cement production lines with an aim to improving the production capacity and regional dominance of the Company. First, the Company will leverage on its leading position in marketing and distribution and capabilities of regional interaction, keep on expanding its market share and strive to achieve economies of scale. Second, the Company will advance in technological innovation, step up energy conservation and emission reduction and enhance integrated use of resources, further develop cyclical economy to realise green development, transformational development and sustainable development. Third, the Company is determined to build a large and strong ready-mixed concrete operation, carry out regional deployment in a steadfast manner, strengthen corporate governance in the concrete business and cash flow management, put trade receivables under tight control and enhance the quality of overall operations. Forth, the Company will strengthen the integration of mining resources, step up the protection of resources and achieve sustainable growth as a mining enterprise.

(2) *Modern Building Materials Segment:*

The Company will continue with the improvement of the industry-clustered development model of the industrial park and optimisation of the construction projects in the industrial park, focusing on bringing the efficiency of the industry-cluster in the industrial park into full play. The Company will seek for new investment and construction projects in cross-provincial markets with an aim to enhancing the overall competitiveness of this segment and cultivate new point of economic growth for this segment. The Company will adhere to the development direction of industry park production, integrated marketing, roll-out of high-end products, large scale industry development and refined management, with a view to enhancing the overall quality of operations and the management standard of this segment.

(3) Property Development Segment:

The Company will continue to implement the business strategy of adjusting the “accelerating cash flow” (好水快流) and the “ two structures” (兩個結構). First, the Company will step up the effort in developing affordable housing and accelerate the integration with the market of affordable housing. Second, the Company will strengthen its sales efforts for commodity housing projects and expedite the recovery of capital. Third, the Company will continuously expand its land reserves by accelerating the conversion of self-owned industrial lands and acquiring new lands with reasonable price when opportunities arise.

(4) Property Investment and Management Segment:

While focusing on enhancing the quality of overall economic operations of the segment, the Company will proactively plan for projects outside Beijing. First, the Company will carry out benchmarking management with an aim to step up on management standards. Second, the Company will rationalise and optimise its clientele with a view to increase rental income. Third, the Company will cultivate new point of economic growth by pushing forward the operation of the service apartments of Global Trade Center.

Liquidity and Financial Resources

As at 31 December 2011, the Group’s consolidated total assets amounted to RMB76,757.0 million, an increase of 23.5% from the end of last year, which were financed by liabilities of RMB55,041.4 million, non-controlling interests of RMB1,561.8 million and equity of RMB21,153.8 million. The asset quality was significantly improved, Net assets amounted to RMB21,715.6 million, an increase of 14.6% from the end of last year. As at 31 December 2011, the Group’s net current assets were RMB5,633.2 million, a slight increase of RMB127.4 million year-on-year. Debt ratio (total liabilities to total assets) as at 31 December 2011 was 71.7%, a slight increase of 2.2 percentage points from the beginning of the Reporting Period.

As at 31 December 2011, the Group’s cash and bank balances amounted to RMB5,126.5 million, a slight increase of RMB95.9 million from the beginning of the Reporting Period. 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 2011, the Group’s interest-bearing bank borrowings amounted to RMB22,663.6 million. Of these borrowings, approximately RMB14,891.0 million interest bearing bank borrowings were due for repayment within one year, an increase of approximately RMB5,562.2 million from the beginning of the year. Approximately RMB7,772.6 million interest-bearing bank borrowings were due for repayment after one year, an increase of approximately RMB202.2 million from the beginning of the year.

During the Reporting Period, the Company signed cooperation agreements with various banks to obtain credit facilities. The Company has sufficient capital for its operation.

Material Acquisitions of Subsidiaries

(a) For the purpose of merging of Taihang Cement with the Company, the Company issued 410,404,560 A shares (the "Consideration Shares") at RMB9 per A share in exchange for the shares of Taihang Cement held by the 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 Consideration Shares of the Company were 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 unlisted domestic shares and 338,480,000 unlisted foreign shares of the Company were converted into the A shares of the Company and traded on the Shanghai Stock Exchange on the same conditions and in all respects as those of the Consideration Shares, save for the statutory lock-up restrictions ranging from one to three years, depending on the holders of the unlisted domestic shares and the unlisted foreign shares.

The Board considered that the merger 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 or its subsidiaries 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. Taihang Cement was deregistered and ceased to exist in April 2011.

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 issued shares	*%*	*Number of issued 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 held 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 unlisted domestic shares and unlisted foreign shares of 950,302,199 shares are subject to a lock-up period of 12 months.

(b) On 12 January 2011, the Company, BBMG Home Furnishing Co., Ltd. (a wholly-owned subsidiary of the Company) and BBMG Property Management Co., Ltd. (a wholly-owned subsidiary of the Company) entered into an amendment agreement with the Parent, Beijing Building Materials Sales Centre (a wholly-owned subsidiary of the Parent) and Beijing Building Materials Group Corporation Industrial & Commerce Development Co. Ltd. (the Parent holds more than 50% of its voting power). Pursuant to the amendment agreement, the completion date of the acquisition of 67.5% equity interest in Crane (Beijing) Building Materials Co., Ltd, (the "Crane Beijing Acquisition"), 100% equity interest in Beijing Yuandong Jiemei Cleaning Services Company Limited (the "Beijing Yuandong Jiemei Acquisition") and 100% equity interest in BBMG Hongye Ecological Science and Technology Co., Ltd. (the "BBMG Hongye Acquisition") from the Parent and its subsidiaries by the Group was extended to on or before 30 May 2011 or such other later date as agreed by the parties. The Crane Beijing Acquisition, the Beijing Yuandong Jiemie Acquisition and the BBMG Hongye Acquisition were completed on 30 May 2011.

Pledge of Assets

As at 31 December 2011, certain of the Group's investment properties, property, plant and equipment, land use rights and properties under development amounting to approximately RMB10,793.8 million (31 December 2010: RMB6,261.4 million (restated)) were pledged to certain banks for securing the loans granted to the Group and a corporate debenture issued by the Parent and accounted for approximately 14.1% of the total assets of the Group (31 December 2010: 10.1% (restated)).

Contingent Liabilities

The Group had the following contingent liabilities not provided for as at the end of the Reporting Period:

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
Guarantees given to banks in respect of mortgage facilities for certain purchasers of the Group's properties	**3,120,640**	3,398,245

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 for repaying 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 (the "Directors") consider 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.

Capital Commitments

The Group entered into certain agreements in respect of acquisition of property, plant and equipment, acquisition of subsidiaries and construction of properties being developed by the Group for sale. As at 31 December 2011, the Group had a total capital commitment of RMB7,702.3 million (31 December 2010: RMB5,309.4 million (restated)).

Employees

As at 31 December 2011, the Group had 33,678 employees in total (as at 31 December 2010: 27,318). 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.

COMPARATIVE AMOUNTS

Due to the change in accounting policy and 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 to the financial statements and to comply with the new requirement mentioned in note 2.2, and a third statement of financial position as at 1 January 2010 has been presented.

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 (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") in force prior to 1 April 2012. The Company has complied with the CG Code during the year ended 31 December 2011. A full description of the Company's corporate governance will be set out in the section of Corporate Governance contained in the annual report for the year ended 31 December 2011.

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, all Directors confirmed that they have complied with the required standard set out in the Model Code during the year ended 31 December 2011.

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 27 March 2012, the Audit Committee has reviewed and considered the consolidated financial statements of the Group for the year ended 31 December 2011. The Audit Committee has also recommended the Board to adopt the Group's consolidated financial statements for the year ended 31 December 2011.

Members of the Audit Committee are Zhang Chengfu (independent non-executive Director), Hu Zhaoguang (independent non-executive Director), Xu Yongmo (independent non-executive Director), Li Xinhua (non-executive Director) and Yip Wai Ming (independent non-executive Director). 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 Jiang Weiping (executive Director), Shi Xijun (executive Director), Hu Zhaoguang (independent non-executive Director), Xu Yongmo (independent non-excutive Director) and Zhang Chengfu (independent non-executive Director). 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 2011, 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 2011 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 2011 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.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members for H shares of the Company will be closed from 25 April 2012 (Wednesday) to 24 May 2012 (Thursday), 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 2012 (Thursday), 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 24 April 2012 (Tuesday).

The transfer books and register of members for H shares of the Company will be closed from 14 June 2012 (Thursday) to 18 June 2012 (Monday), both days inclusive, for the purpose of determining entitlements of the shareholders the right to receive the final dividends for the year ended 31 December 2011. In order to qualify for the right to receive the final dividends for the year ended 31 December 2011, 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 13 June 2012 (Wednesday).

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 24 May 2012 (Thursday). 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
28 March 2012

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