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BBMG 金隅

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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

FINANCIAL HIGHLIGHTS

- Operating revenue of RMB20,386.6 million, increased by 38.3% from the interim period of 2012
- Gross profit margin from principal business of 21.19%, decreased by 7.94 percentage points from the interim period of 2012
- Net profit of RMB1,296.0 million, decreased by 15.2% from the interim period of 2012
- Core net profit attributable to the shareholders of the parent company (excluding the after tax net fair value gains on investment property) of RMB1,058.6 million, decreased by RMB68.6 million or 6.1% from the interim period of 2012
- Net profit attributable to shareholders of the parent company of RMB1,299.2 million, decreased by 6.3% from the interim period of 2012
- Basic earnings per share attributable to the ordinary equity holders of the Company was RMB0.30

The board of directors (the "**Board**") of BBMG Corporation (the "**Company**") is pleased to announce the unaudited interim financial results and financial position of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2013 (the "**Reporting Period**") together with the comparative figures for the corresponding period of 2012, prepared in accordance with the China Accounting Standards for Business Enterprises. These interim financial results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

* *for identification purposes only*

RESULTS OF OPERATIONS

For the six months ended 30 June 2013, the Group achieved a net profit attributable to shareholders of the parent company of approximately RMB1,299.2 million, representing a decrease of approximately 6.3% over the corresponding period last year; basic earnings per share was approximately RMB0.30 (six months ended 30 June 2012: RMB0.32), representing a decrease of RMB0.02 over the corresponding period last year; total shareholders' equity was approximately RMB26,765.2 million at the end of the Reporting Period, representing an increase of approximately RMB1,740.5 million at the beginning of the period; and net assets value per share attributable to shareholders of the parent company as at 30 June 2013 was approximately RMB5.57, representing an increase of approximately RMB0.22 at the beginning of the period.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend in respect of the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

UNAUDITED CONSOLIDATED INCOME STATEMENT

Unit: RMB

	Notes	**For the six months ended 30 June 2013 (Unaudited)**	For the six months ended 30 June 2012 (Unaudited)
Operating revenue	*3*	**20,386,622,839.47**	14,745,959,135.81
Less: Operating costs	*3*	**16,013,389,291.34**	10,397,377,679.85
Business tax and surcharges		**761,069,018.03**	764,353,984.63
Selling expenses		**680,885,123.98**	581,866,026.29
Administrative expenses		**1,370,281,463.25**	998,193,416.56
Finance costs	*4*	**442,895,708.81**	470,709,511.65
Asset impairment losses		**(12,393,172.48)**	13,158,150.60
Add: Gains from changes in fair value		**320,192,740.78**	346,744,119.25
Investment loss		**(23,696,571.08)**	(19,589,256.13)
Including: Share of losses of associates and jointly-controlled entities		**(23,792,766.12)**	(37,302,368.64)
Operating profit		**1,426,991,576.24**	1,847,455,229.35
Add: Non-operating revenue		**309,900,892.74**	297,910,514.70
Less: Non-operating expenses		**14,087,901.77**	31,689,833.14
Including: Loss on disposal of non-current assets		**4,884,690.18**	11,235,299.81
Total profit		**1,722,804,567.21**	2,113,675,910.91
Less: Income tax expenses	*5*	**426,771,312.14**	585,726,128.30
Net profit		**1,296,033,255.07**	1,527,949,782.61

	Notes	**For the six months ended 30 June 2013 (Unaudited)**	For the six months ended 30 June 2012 (Unaudited)
Net profit attributable to the shareholders of the parent company		**1,299,197,604.31**	1,387,233,578.71
Minority interests		**(3,164,349.24)**	140,716,203.90
Earnings per share	*6*		
Basic earnings per share (RMB/share)		**0.30**	0.32
Diluted earnings per share (RMB/share)		**0.30**	0.32
Other comprehensive income		**2,845,810.12**	(78,984.71)
Total comprehensive income		**1,298,879,065.19**	1,527,870,797.90
Including:			
Total comprehensive income attributable to the shareholders of the parent company		**1,302,043,414.43**	1,387,154,594.00
Total comprehensive income attributable to minority interests		**(3,164,349.24)**	140,716,203.90

UNAUDITED CONSOLIDATED BALANCE SHEET
Unit: RMB

	Notes	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Assets			
Current Assets			
Cash and bank balances		**8,084,364,849.02**	5,906,094,546.45
Bills receivable		**822,734,787.54**	1,028,662,688.14
Accounts receivable	8	**5,146,180,829.44**	3,991,796,374.16
Advances to suppliers		**1,163,683,585.68**	909,415,140.77
Interests receivable		**1,382,841.69**	1,411,125.80
Dividends receivable		**–**	1,215,425.00
Other receivables		**2,478,474,609.24**	1,899,515,319.31
Inventories		**33,259,486,830.78**	32,286,890,673.48
Other current assets		**1,297,726,718.17**	1,076,877,652.29
Total current assets		**52,254,035,051.56**	47,101,878,945.40
Non-current assets			
Long-term equity investments		**386,970,327.53**	419,868,370.59
Investment properties		**13,169,800,000.00**	12,840,400,000.00
Fixed assets		**15,421,085,276.47**	15,331,150,630.80
Construction in progress		**2,528,386,192.33**	2,146,494,608.43
Construction materials		**14,615,331.95**	14,281,785.80
Intangible assets		**3,671,221,376.65**	3,600,681,639.16
Goodwill		**312,051,745.55**	312,051,745.55
Long-term prepaid expenses		**179,794,225.89**	189,228,562.12
Deferred tax assets		**1,177,847,476.48**	1,205,767,342.49
Total non-current assets		**36,861,771,952.85**	36,059,924,684.94
Total assets		**89,115,807,004.41**	83,161,803,630.34

	Notes	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans		**11,250,500,000.00**	11,388,286,880.00
Bills payable		**331,763,985.87**	430,004,020.52
Accounts payable	9	**7,015,425,497.00**	6,569,201,907.77
Receipts in advance		**15,244,996,344.08**	14,206,950,304.93
Payroll payable		**139,198,365.79**	153,463,306.96
Taxes payable		**890,191,585.99**	1,308,896,782.25
Interests payable		**276,640,606.13**	155,274,711.13
Dividends payable		**344,002,926.45**	43,048,069.19
Other payables		**2,342,573,279.22**	2,483,124,813.60
Short-term financing bonds payable		**3,000,000,000.00**	1,000,000,000.00
Non-current liabilities due within one year		**1,661,420,000.00**	2,576,020,000.00
Other current liabilities		**3,729,147,636.98**	3,148,676,380.69
Total current liabilities		**46,225,860,227.51**	43,462,947,177.04
Non-current liabilities			
Long-term loans		**6,006,995,904.61**	4,757,051,545.34
Bonds payable		**6,705,606,060.93**	6,692,453,587.34
Long-term payables		**511,617,093.00**	517,416,630.00
Provisions		**97,598,890.80**	100,077,202.17
Deferred tax liabilities		**2,203,569,699.34**	1,989,993,217.02
Other non-current liabilities		**599,329,053.77**	617,175,147.70
Total non-current liabilities		**16,124,716,702.45**	14,674,167,329.57
Total liabilities		**62,350,576,929.96**	58,137,114,506.61
Shareholders' equity			
Share capital		**4,283,737,060.00**	4,283,737,060.00
Capital reserve		**5,365,481,877.34**	5,395,792,993.51
Specialized reserve		**16,399,633.06**	9,552,984.58
Surplus reserve		**580,552,232.22**	580,552,232.22
Retained earnings		**13,629,451,397.96**	12,634,399,124.91
Exchange differences on foreign currency translation		**(130,382.81)**	(130,112.92)
Total equity attributable to the shareholders of the parent company		**23,875,491,817.77**	22,903,904,282.30
Minority interests		**2,889,738,256.68**	2,120,784,841.43
Total shareholders' equity		**26,765,230,074.45**	25,024,689,123.73
Total liabilities and shareholders' equity		**89,115,807,004.41**	83,161,803,630.34

Notes:

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

The financial statements are prepared in accordance with Accounting Standards for Business Enterprises – Basic Standards and 38 specific accounting standards issued by the Ministry of Finance in February 2006 and the implementation guidelines, interpretations and other relevant provisions issued subsequently (collectively referred to as "Accounting Standards for Business Enterprises").

The financial statements are presented on a going concern basis.

Except for certain financial instruments and investment properties, the financial statements have been prepared under the historical cost convention. If the assets are impaired, corresponding provisions for impairment shall be provided according to relevant provisions.

The accounting policies adopted in the preparation of these interim financial statements are consistent with those followed in the annual financial statements for the previous year which prepared in accordance with Accounting Standard for Business Enterprises.

2. SEGMENTAL REPORT

Operating segments

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

(1) the cement and ready-mixed concrete segment engages in the manufacture and sale of cement and concrete;

(2) the modern building materials and commerce and logistics segment engages in the manufacture, sale and commercial logistics of building materials and furniture;

(3) the property development segment engages in property development and sales; and

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results are evaluated based on segment profits reported. It represents the indicator after adjustments have been made to total profit, and except for excluding overheads attributable to the head office, it is consistent with the Group's total profit.

Segment assets and liabilities exclude unallocated assets and liabilities of the head office, because all such assets and liabilities are under the unified management of the Group.

Pricing for transfer between operating segments is agreed by both parties to transactions with reference to the fair price adopted in the transactions with third parties.

For the six months ended 30 June 2013 (Unaudited)

Unit: RMB

	Cement and Ready-Mixed Concrete Segment	Modern Building Materials and Commerce and Logistics Segment	Property Development Segment	Property Investment and Management Segment	Unallocated corporate assets/ liabilities/expenses	Elimination on consolidation	Total
Revenues from external transactions	5,582,864,866.04	7,386,332,884.03	6,439,065,228.13	1,004,966,633.58	–	(26,606,772.31)	20,386,622,839.47
Revenues from inter-segment transactions	2,305,448.61	178,606,422.38	1,300,000.00	–	–	(182,211,870.99)	–
	5,585,170,314.65	7,564,939,306.41	6,440,365,228.13	1,004,966,633.58	–	(208,818,643.30)	20,386,622,839.47
Gains/(losses) on investments in associates and jointly-controlled entities	304,275.80	(24,609,234.92)	–	512,193.00	–	–	(23,792,766.12)
Impairment losses from assets	(10,450,989.63)	(1,939,847.36)	(2,335.49)	–	–	–	(12,393,172.48)
Depreciation and amortization	470,891,814.11	51,750,985.81	4,341,995.02	61,096,221.10	11,440,821.65	–	599,521,837.69
Total profit	66,692,448.04	45,040,996.63	1,175,154,927.72	731,505,933.47	(248,484,702.65)	(47,105,036.00)	1,722,804,567.21
Income tax expenses	54,282,212.25	(44,837,985.23)	298,773,925.46	119,937,474.46	–	(1,384,314.80)	426,771,312.14
Total assets	25,877,061,128.86	8,298,350,551.81	39,258,490,207.75	17,898,016,091.43	2,647,444,346.60	(4,863,555,322.04)	89,115,807,004.41
Total liabilities	12,591,253,259.01	4,338,958,796.90	34,009,280,042.58	7,508,976,479.47	8,868,859,709.39	(4,966,751,357.39)	62,350,576,929.96
Other disclosure							
Long-term equity investment in associates and jointly-controlled entities	24,961,909.45	342,564,157.67	10,000,000.00	3,846,744.16	–	–	381,372,811.28
Increase in other non-current assets (excluding long-term equity investments)	1,651,807,425.22	234,356,664.71	4,319,272.74	231,888,519.67	–	–	2,122,371,882.34

For the six months ended 30 June 2012 (Unaudited)

Unit: RMB

	Cement and Ready-Mixed Concrete Segment	Modern Building Materials and Commerce and Logistics Segment	Property Development Segment	Property Investment and Management Segment	Unallocated corporate assets/ liabilities/expenses	Elimination on consolidation	Total
Revenues from external transactions	5,415,890,060.11	2,881,676,483.63	5,558,341,764.79	890,050,827.28	–	–	14,745,959,135.81
Revenues from inter-segment transactions	7,238,017.87	179,234,698.55	–	22,774,339.19	–	(209,247,055.61)	–
	5,423,128,077.98	3,060,911,182.18	5,558,341,764.79	912,825,166.47	–	(209,247,055.61)	14,745,959,135.81
Gains/(losses) on investments in associates and jointly-controlled entities	1,019,442.76	(16,569,298.93)	–	(21,752,512.47)	–	–	(37,302,368.64)
Impairment losses from assets	10,661,851.45	14,967,985.82	148,604.09	(12,620,290.76)	–	–	13,158,150.60
Depreciation and amortization	409,625,260.84	52,611,113.04	5,989,528.11	75,526,813.02	13,633,092.79	–	557,385,807.80
Total profit	522,390,350.40	28,825,098.60	1,303,995,947.11	625,872,384.18	(326,497,544.12)	(40,910,325.26)	2,113,675,910.91
Income tax expenses	131,703,334.51	18,626,135.60	325,422,329.06	114,379,890.70	–	(4,405,561.57)	585,726,128.30
31 December 2012							
Total assets	24,774,017,463.16	7,006,066,922.77	36,784,183,248.14	17,160,666,478.54	2,222,167,932.03	(4,785,298,414.30)	83,161,803,630.34
Total liabilities	12,805,332,632.87	3,566,863,982.34	32,205,497,477.73	7,847,581,691.93	6,675,698,867.92	(4,963,860,146.18)	58,137,114,506.61
Other disclosure							
Long-term equity investment in associates and jointly-controlled entities	24,657,633.65	368,733,392.60	10,000,000.00	4,551,378.08	–	–	407,942,404.33
Increase in other non-current assets (excluding long-term equity investments)	3,145,940,490.53	322,706,361.15	13,847,937.40	228,209,626.46	–	–	3,710,704,415.54

Geographical information

Segment revenue from external customers of the Group are mainly derived from operations in the PRC and major business and customers and major non-current assets of the Group are located in the PRC.

Information about major customers

For the six months ended 30 June 2013, none of sales income arising from any single customer of the Group exceeds 10% of the Group's total revenues (for the six months ended 30 June 2012: None).

3. OPERATING REVENUE AND OPERATING COSTS

Unit: RMB

Operating revenue is presented as follows:

	For the six months ended 30 June 2013 (Unaudited)	For the six months ended 30 June 2012 (Unaudited)
Operating revenue from principal business	**20,161,051,297.58**	14,490,724,892.40
Operating revenue from other business	**225,571,541.89**	255,234,243.41
	20,386,622,839.47	14,745,959,135.81

Operating cost is presented as follows:

	For the six months ended 30 June 2013 (Unaudited)	For the six months ended 30 June 2012 (Unaudited)
Operating costs for principal business	**15,888,516,006.05**	10,269,209,922.10
Operating costs for other business	**124,873,285.29**	128,167,757.75
	16,013,389,291.34	10,397,377,679.85

4. FINANCE COSTS

Unit: RMB

	For the six months ended 30 June 2013 (Unaudited)	For the six months ended 30 June 2012 (Unaudited)
Interest expenses	**773,329,838.94**	875,802,324.01
Including: Interests on bank loans, overdrafts and other loans which require to be fully repaid within 5 years	**767,475,168.10**	855,346,420.02
Other interest expenses	**5,854,670.84**	20,455,903.99
Less: Interest income	**32,882,368.67**	(68,262,705.22)
Less: Amount of interest capitalized	**315,363,651.06**	372,545,123.23
Exchange gains and losses	**234,986.59**	241,569.87
Handling charges	**10,890,545.88**	7,029,779.43
Others	**6,686,357.13**	28,443,666.79
	442,895,708.81	470,709,511.65

5. INCOME TAX EXPENSES

Unit: RMB

	For the six months ended 30 June 2013 (Unaudited)	For the six months ended 30 June 2012 (Unaudited)
Current tax expenses	**186,223,657.15**	491,124,140.00
Deferred tax expenses	**240,547,654.99**	94,601,988.30
	426,771,312.14	585,726,128.30

A reconciliation of income tax expenses and total profit is set out as follows:

	For the six months ended 30 June 2013 (Unaudited)	For the six months ended 30 June 2012 (Unaudited)
Total profit	**1,722,804,567.21**	2,113,675,910.91
Income tax expenses at statutory income tax rate of 25%	**430,701,141.80**	528,418,977.73
Effect of different tax rates of some subsidiaries	**(7,519,784.07)**	(10,095,469.04)
Share of profits and losses of jointly-controlled entities and associates	**5,948,191.53**	9,325,592.16
Income not subject to tax	**(357,657.28)**	(13,676,918.49)
Expenses not deductible	**12,345,447.13**	14,829,077.63
Deductible losses utilized from previous years	**(1,510,628.82)**	(1,866,732.65)
Adjustments on current tax expenses of previous periods	**(67,592,847.36)**	(2,548,398.21)
Effect of deductible temporary difference and deductible losses unrecognized	**54,757,449.21**	61,339,999.17
	426,771,312.14	585,726,128.30

6. BASIC EARNINGS PER SHARE

The basic earnings per share is calculated based on the net profit of the current period attributable to the ordinary shareholders of the Company divided by the weighted average number of outstanding ordinary shares during the period. The number of newly issued ordinary shares is determined according to specific terms of the issued contract and calculated from the date of consideration receivable.

The calculation of basic earnings per share is as follows:

	For the six months ended 30 June 2013 (Unaudited)	For the six months ended 30 June 2012 (Unaudited)
Earnings		
Net profit for the period attributable to ordinary shareholders of the Company (RMB)	**1,299,197,604.31**	1,387,233,578.71
Shares		
Weighted average number of ordinary shares in issue of the Company	**4,283,737,060.00**	4,283,737,060.00

The Company did not have potentially dilutive ordinary shares.

7. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend (for the six month ended 30 June 2012: Nil).

8. ACCOUNTS RECEIVABLE

The credit period of accounts receivable is usually one month to three months. The accounts receivable bear no interest.

An aged analysis of accounts receivable is as follows:

Unit: RMB

	30 June 2013	31 December 2012
Within 1 year	**4,684,897,911.10**	3,622,522,577.51
1 to 2 years	**503,342,416.07**	435,084,218.32
2 to 3 years	**94,778,300.51**	81,854,995.55
3 to 4 years	**28,924,382.78**	32,669,200.80
4 to 5 years	**23,381,487.89**	20,172,495.57
Over 5 years	**87,835,565.10**	90,736,588.11
	5,423,160,063.45	4,283,040,075.86
Provision for bad debt of accounts receivable	**(276,979,234.01)**	(291,243,701.70)
	5,146,180,829.44	3,991,796,374.16

9. ACCOUNTS PAYABLE

The accounts payable bear no interest and are generally settled within 90 days.

An aged analysis of accounts payable is as follows:

Unit: RMB

	30 June 2013 **(Unaudited)**	31 December 2012 (Audited)
Within 1 year	**5,850,787,277.66**	4,868,812,557.66
1 to 2 years	**741,877,674.28**	1,317,545,708.47
2 to 3 years	**313,812,716.47**	228,144,901.50
Over 3 years	**108,947,828.59**	154,698,740.14
	7,015,425,497.00	6,569,201,907.77

10. NET CURRENT ASSETS

Unit: RMB

	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Current assets	**52,254,035,051.56**	47,101,878,945.40
Less: current liabilities	**46,225,860,227.51**	43,462,947,177.04
Net current assets	**6,028,174,824.05**	3,638,931,768.36

11. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB

	30 June 2013 (Unaudited)	31 December 2012 (Audited)
Total assets	**89,115,807,004.41**	83,161,803,630.34
Less: current liabilities	**46,225,860,227.51**	43,462,947,177.04
Total assets less current liabilities	**42,889,946,776.90**	39,698,856,453.30

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present to you the interim results of the Company for the six months ended 30 June 2013, and the operating results of the Company during the said period for your review.

Interim Results

During the Reporting Period, the Company's operating revenue amounted to approximately RMB20,386.6 million, representing a year-on-year increase of approximately 38.3%; net profit attributable to the shareholders of the parent company was approximately RMB1,299.2 million, representing a year-on-year decrease of approximately 6.3%; basic earnings per share was approximately RMB0.30.

Business Environment

During the Reporting Period, amid the prolonged weakness in the growth of the global economy and uncertain prospects for the recovery from the European economic crisis, the risk for an economic downside remained lingering. China's economic growth slowed down, yet the overall national economy remained steady. Domestic economy achieved progress while maintaining stability. Against the backdrop of the domestic and international economic landscape, the national demand for cement witnessed a slowdown. With increasingly fierce competition in the market, both cement price and cement profit in North China experienced a year-on-year decrease. The overall investment environment in real-estate sector was on the rebound, as demonstrated by the pick-up in trading volume of urban residential market, rising home prices in major cities, and upward movement in both trading volume and price of land.

Review

Confronting the complex domestic and global economic landscape, the Board of the Company seized all development opportunities by defining a clear direction for development, formulating development strategies in a scientific manner and fine-tuning the growth path, so as to effectively respond to such challenges. By emphasizing adjustment to the industrial structure and transformation of the development model, the Company stepped up efforts to utilize its leading advantages on multiple fronts such as strategic layout, industrial chain, integrated management and technological innovation. As a result, the Company achieved a stable and healthy growth in its operating results.

During the Reporting Period, the four major business segments of the Company overcame various challenges and difficulties as they adapted to macro-control and the drastic changes in the market, and achieved steady progress in both economic growth and implementation of strategies and gaining development opportunities while enhancing overall strengths continuously. Capitalizing on the scientific improvement of its "grand-cross shape" (大十字) strategic layout in the target regions and the extended development path in the form of "seismic wave" (地震波), the cement and ready-mixed concrete segment had continuously enhanced its regional comprehensive competitiveness and end-market controlling abilities. Amid challenging market conditions, the property development segment deepened the adjustment to the "two structures" (兩個結構) and the strategy of "accelerating cash flow"(好水快流), adopted innovative methods in land acquisition, and achieved unprecedented success with simultaneous growth in sales results and profitability. The property investment and management segment adhered to the established guideline of "Rooted in Beijing and extending the footprint orderly" (立足北京、有序拓展), leading to continuous increase in the rent and occupancy rate of office buildings. In respect of the modern building materials and commerce and logistics segment, the regional "industrial park-based" (園區化) model highlighted its cluster strength, resulting in further strengthening of the profitability in commerce and logistics.

The Company further accelerated its strategic transition based on more scientific development approaches and the overall industrial upgrade of the manufacturing sector. Internal consolidation and control of the Company made further progress, providing more synergy and security for the overall development of the Company. The corporate governance structure was being refined progressively, creating reliable management guarantee for the boost of corporate vitality. The Company further reinforced its foundation for rapid development as a market leader with the gradual formation of an innovation-driven layout.

Prospects

Given the on-going trend of global economic recovery and an overview of the international and domestic economic landscapes, the fundamental factors for economic and social development in the PRC are positive in the long-term. The PRC is at a crucial stage of structural adjustment to resolve the prolonged accumulated discrepancies and issues caused by, among others, undue reliance on investment and excessive output capacity. Upholding the economic policy of "making progress while maintaining stability", the PRC government carried out proactive fiscal policies and prudent monetary policies to gradually push ahead the adjustment of the industrial structure and transformation of the economic growth model. "Industrialization" and "urbanization", as the key points of government policies, have shown huge development potentials and prospects, while the benefits arising from the reforms will further boost economic vitality and bring forth market opportunities for the development of the Company.

In the second half of 2013, the government's prevention and control measures on air pollution will be increasingly tightened up. Faced with a series of measures to raise the standards of energy-saving and environmental protection indicators in the industry, as well as the new energy-saving mechanism that emphasizes both incentives and constraints, the Company will accurately judge and grasp the macro situation and external conditions, and strictly ensure its compliance with the standards of clean production. Confronting the accelerated phasing-out of outdated production capacity in the industry and the formation of a new framework for market competition, the Company will continue to increase investment in science and technology, enhance independent innovation capability, expand into new markets and open up new scopes of business so as to lay a solid foundation for the sustainable development of the Company.

The four major business segments of the Company will continue to take the initiative and play a creative role . The cement and ready-mixed concrete segment will continue to strengthen its regional development bases, with a focus on key enterprises as the basic platform, so as to realize central breakthrough with mutual support and achieve diversified advancement and interactive development. The property development segment will continue to expand its business in core cities in regions where a foothold has been established, enhance its market recognition and brand reputation, and foster our advantage in regional development in a steady and orderly manner. The property investment and management segment will continue to rationally increase the amount and scale of investments in multifaceted properties held for operation with a focus on Beijing through multiple channels, so as to maintain the leading position, as well as enhance service and management standards and market image. With a focus on strengthening the cohesiveness of our "three bases" in industry adjustment and upgrading, the modern building materials and commerce and logistics segment will speed up the rationalization and improvement of the management mechanism to ensure that enterprises in the industrial park can operate efficiently and achieve a substantial growth in economic efficiency.

The Company will continue to elevate standards of internal control, and continuously improve its corporate governance structure featuring coordinated operation, effective implementation and scientific check and balance. The Company will spare no efforts in boosting its independent innovation capacity, and will continue to develop its economic growth drivers. In light of the well-established development concept of "environmental friendly, resource saving, technologically advanced and urban servicing" (環境友好型、資源節約型、技術先進型、城市服務型), the Company will stick to the development principle of "a harmonious integration of economic, social and ecological benefits" (經濟效益、社會效益、生態效益和諧統一), and speed up the transformation process towards green development. The Company will also strengthen the building of the BBMG cultural system (金隅文化體系), making it a cornerstone to preserve the spirit of humanities while we are continuously striving to secure business opportunities and sustainable development amid fierce competition.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Financial Information

Unit: RMB million

	For the six months ended 30 June		
	2013	2012	Change
	(Unaudited)	(Unaudited)	
Operating revenue	**20,386.6**	14,746.0	38.3%
Operating revenue from principal business	**20,161.1**	14,490.7	39.1%
Gross profit from principal business	**4,272.5**	4,221.5	1.2%
Gross profit margin from principal business (%)	**21.19**	29.13	a decrease of 7.94 percentage points
Net profit	**1,296.0**	1,527.9	–15.2%
Net profit attributable to the shareholders of the parent company	**1,299.2**	1,387.2	–6.3%
Basic earnings per share (RMB)	**0.30**	0.32	–6.3%

	As at 30 June 2013 (Unaudited)	As at 31 December 2012 (Audited)	Change
Cash and bank balances	**8,084.4**	5,906.1	36.9%
Current assets	**52,254.0**	47,101.9	10.9%
Current liabilities	**46,225.9**	43,462.9	6.4%
Net current assets	**6,028.2**	3,638.9	65.7%
Non-current assets	**36,861.8**	36,059.9	2.2%
Non-current liabilities	**16,124.7**	14,674.2	9.9%
Total assets	**89,115.8**	83,161.8	7.2%
Equity attributable to the shareholders of the parent company	**23,875.5**	22,903.9	4.2%
Debt ratio (total liabilities to total assets) (%)	**69.97%**	69.91%	an increase of 0.06 percentage point

Summary of Business Information

	For the six months ended 30 June 2013	2012	Change
Cement and Ready-mixed Concrete Segment			
Sales volume of cement (in million tonnes)	**16.4**	15.0	9.3%
Sales volume of concrete (in million cubic metres)	**5.5**	4.1	34.1%
Modern Building Materials and Commerce and Logistics Segment			
Refractory materials (in thousand tonnes)	**107.7**	112.0	–3.8%
Property Development Segment			
Booked GFA (in thousand sq.m.)	**434.9**	478.9	–9.2%
Contracted sales GFA (in thousand sq.m.)	**952.9**	438.1	117.5%
Property Investment and Management Segment			
Gross GFA of investment properties (in thousand sq.m.)	**760.8**	742.0	2.5%

In the first half of the year, guided by the general principle of "making progress while maintaining stability", the Central Government focused on enhancing the quality and efficiency of economic growth, and carried on the proactive fiscal policies and prudent monetary policies. By adjusting through reform and developing through adjustment, overall domestic economy achieved growth while maintaining stability. Preliminary audit revealed that in the first half of the year, gross domestic product reached RMB24.8 trillion, representing a year-on-year increase of 7.6% under comparable price. Addressing the challenging and volatile economic environment, the Board of the Company adopted a series of concrete and effective measures with great confidence, thoroughly carrying out the task of quality and efficiency improvement, which resulted in a steady enhancement of efficiency and quality.

During the Reporting Period, the Company recorded operating revenue of RMB20,386.6 million, among which operating revenue from principal business amounted to RMB20,161.1 million, representing a year-on-year increase of 39.1%, total profit amounted to RMB1,772.8 million, representing a year-on-year decrease of 18.5%, net profit amounted to RMB1,296.0 million, representing a year-on-year decrease of 15.2%, and net profit attributable to the shareholders of the parent company amounted to RMB1,299.2 million, representing a year-on-year decrease of 6.3%.

The four major business segments of the Company, namely cement and ready-mixed concrete, modern building materials and commerce and logistics, property development and property investment and management achieved steady development:

- Operating revenue from the principal business of the cement and ready-mixed concrete segment increased by 3.4% to RMB5,494.7 million, with gross profit margin from principal business of RMB939.3 million, a decrease of 10.3%;

- Operating revenue from the principal business of the modern building materials and commerce and logistics segment increased by 148.4% to RMB7,481.5 million, with gross profit margin from principal business of RMB547.7 million, a decrease of 1.0%;

- Operating revenue from the principal business of the property development segment increased by 15.6% to RMB6,437.5 million, with gross profit margin from principal business of RMB2,218.1 million, an increase of 2.7%; and

- Operating revenue from the principal business of the property investment and management segment increased by 19.0% to RMB937.3 million, with gross profit margin from principal business of RMB569.5 million, an increase of 22.5%.

Analysis of the Operation of Business Segments

1. Cement and Ready-Mixed Concrete Segment

As the “grand-cross shape” (大十字) strategic layout characterized by broad market coverage and complimentary support among industrial clusters and the extended development path in the form of “seismic wave” (地震波) further improved, the Company witnessed continuous enhancement in its overall competitiveness and end-market controlling abilities in strategically targeted areas. The Company also reinforced its market competitiveness and firmed up its development foundation through a series of consolidated measures, including the diversification of marketing approaches to expand market share; the implementation of in-depth internal control to enhance core competence; the advancement in technology to strengthen corporate innovation; and the acceleration of resource reserves accumulation to facilitate sustainable development.

In the first half of the year, the cement and ready-mixed concrete segment recorded operating revenue from its principal business of RMB5,494.7 million, a year-on-year increase of 3.4%, with gross profit of RMB939.3 million, a year-on-year decrease of 10.3%. Despite the suspension of production for two months, the consolidated sales volume of cement and clinker amounted to 16.4 million tonnes, a year-on-year increase of 9.3%, among which cement sales volume was 13.6 million tonnes and clinker sales volume was 2.8 million tonnes, while the aggregated gross profit margin for cement and clinker was 17.51%, a year-on-year decrease of 2.64 percentage points. Sales volume of concrete totalled 5.5 million cubic meters, a year-on-year increase of 34.1%, while the gross profit margin for concrete was 13.28%, a year-on-year decrease of 3.57 percentage points.

2. Modern Building Materials and Commerce and Logistics Segment

The advantages of concentrated clusters in the block-by-block structure based on the "industrial park-based" (園區化) development pattern became more pronounced, and the planning, construction and operation of the industrial parks became more developed. The turnaround time of the enterprises in the parks and new projects was shortening, resulting in higher profitability. In respect of the commerce and logistics operation, the operating mode oriented by the bulk commodity trading has taken shape, therefore enhancing its profitability.

In the first half of the year, the modern building materials and commerce and logistics segment recorded operating revenue from its principal business of RMB7,481.5 million, a year-on-year increase of 148.4%, while the gross profit amounted to RMB547.7 million, a year-on-year decrease of 1.0%.

3. Property Development Segment

By adhering to the adjustment of "two structures" (兩個結構) and the guideline of "accelerating cash flow" (好水快流), the Company achieved unprecedented success with simultaneous growth in sales results and profitability. Also, the property development segment utilized the accumulated resources to deepen and refine its regional operation, leading to further enhancement in its layout scalability and brand influence. In line with the on-going optimization of the reserve mechanism of land resources, the innovative capabilities of land acquisition was improved as well, leading to a steady development of the segment in spite of the increasingly stringent and tightened regulating policies.

In the first half of the year, the property development segment recorded operating revenue from its principal business of RMB6,437.5 million, a year-on-year increase of 15.6%, while the gross profit was RMB2,218.1 million, a year-on-year increase of 2.7%. The booked GFA was 434.9 thousand sq.m, a year-on-year decrease of 9.2%, among which booked GFA of commodity housing amounted to 388.2 thousand sq.m, a year-on-year increase of 50.9%, and booked GFA of affordable housing amounted to 46.7 thousand sq.m, a year-on-year decrease of 79.0%. Aggregated contracted sales area was 952.9 thousand sq.m, a year-on-year increase of 117.5%, among which contracted sales area for commodity housing amounted to 594.5 thousand sq.m, a year-on-year increase of 114.4%, and contracted sales area for affordable housing amounted to 358.4 thousand sq.m, a year-on-year increase of 122.9%. As at the end of the Reporting Period, the Company had a land reserve totaling 4.9 million sq.m.

4. Property Investment and Management Segment

By proactively adapting to the market trend, each enterprise and project continued to enhance its operation capability, management capability and service quality. Both rent and occupancy rate of office buildings hit record high. To effectively adapt to the changing market, the hotel and leisure sector timely adjusted its marketing strategies and reaped better operating results. Positively influenced by the results of continuous optimization and integration, both the industrial property leasing sector and the community property management sector further enhanced its management capability and service quality.

In the first half of the year, the property investment and management segment recorded operating revenue from its principal business of RMB937.3 million, a year-on-year increase of 19.0%, while gross profit was RMB569.5 million, a year-on-year increase of 22.5%. As at the end of the Reporting Period, the Company had investment properties totaling 760.8 thousand sq.m in the core districts of Beijing.

Investment properties held by the Group as at 30 June 2013

	Location	Usage	Property Gross Area *(thousand sq.m.)*	Fair Value *(RMB million)*	Rental Unit Price *(RMB/day)*	Average Occupancy Rate	Unit Fair Value *(RMB/sq.m.)*
Phase 1 of Global Trade Centre	North Third Ring Road, Beijing	Commercial	105.5	2,544.0	9.0	88.6%	24,111.5
Phase 2 of Global Trade Centre	North Third Ring Road, Beijing	Commercial	145.3	2,757.6	6.6	93.8%	18,983.8
Phase 3 of Global Trade Centre (G/F)	North Third Ring Road, Beijing	Retail	61.1	1,006.0	5.4	84.6%	16,469.8
Tengda Plaza	West Second Ring Road, Beijing	Commercial	78.0	1,321.6	6.8	95.8%	16,937.7
Jin Yu Building	West Second Ring Road, Beijing	Commercial	44.0	908.1	8.0	91.1%	20,633.1
Jianda Building and Jiancai Jingmao Building	East Second Ring Road, Beijing	Commercial	47.6	1,039.7	4.2	94.5%	21,853.8
Dacheng International Centre	East Fourth Ring Road, Beijing	Commercial	41.9	539.9	2.6	94.4%	12,890.2
	Sub-total		523.4	10,116.9			19,331.0
Other properties	Beijing Municipality	Commercial and retail	237.4	3,052.9			12,857.1
	Total		760.8	13,169.8			17,310.5

Analysis of Income Statement and Cash Flows Items

1. **Gains from changes in fair value of investment properties**

   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 "gains from changes in fair value" in the income statement. The fair value is valued by an independent 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 balance sheet date. The difference between the fair value and the original book value is recognised in the profit or loss for the period.

   During the Reporting Period, the gains arising from changes in fair value of investment properties of the Company were RMB320.2 million, accounting for 18.6% of the profit before tax. The gains arising from changes in fair value of investment properties during the Reporting Period were mainly due to an upward adjustment made by the valuer to the fair value of the investment properties held by the Group as a result of the overall rise in rental of commercial properties in the open market in Beijing during the Reporting Period.

2. **Selling expenses, administrative expenses and finance costs**

   During the Reporting Period, the expenses incurred by the Group remained basically stable and saw a year-on-year growth due to business expansion.

   (1) Selling expenses were RMB680.9 million in the first half of 2013, an increase of RMB99.0 million year-on-year. Such increase was mainly attributable to the increase in labor costs and transportation costs due to business expansion.

   (2) Administrative expenses were RMB1,370.3 million in the first half of 2013, an increase of RMB372.1 million year-on-year. Such increase in administrative expenses was mainly attributable to the increase in labor costs and major repair and maintenance costs.

   (3) Finance costs were RMB442.9 million in the first half of 2013, a decrease of RMB27.8 million year-on-year. Such decrease was mainly attributable to the decrease in average amount and average interest rate of borrowings of the Company during the period.

3. Cash flows

In the first half of 2013, a net increase of RMB1,126.1 million in cash and cash equivalents was recognised in consolidated financial statements of the Group. Of which, net cash inflow generated from operating activities was RMB406.2 million; net cash outflow generated from investment activities of RMB1,295.3 million; net cash inflow generated from financing activities of RMB2,015.4 million; and the effect of changes in exchange rate on cash and cash equivalents decreased by RMB0.2 million.

CORE COMPETENCE ANALYSIS

The Company is one of the 12 large cement enterprises that received key support from the Central Government and the biggest cement and concrete manufacturer and supplier in the region covering Beijing, Tianjin and Hebei Province, one of the largest building materials manufacturers in the PRC and the leader of building materials industry in Pan Bohai Economic Rim. The Company is also one of the most competitive property developers and an affordable housing developer with the earliest development, the most projects and the most comprehensive system in Beijing. Meanwhile, the Company is one of the largest holder and manager of investment properties in Beijing. The four major business segments of the Company have witnessed strong growth and synergetic development by extending their principal businesses to nearly 20 provinces, cities and regions in the PRC.

The core competence of the Company is detailed as follows:

1. Competitive Edge in the Industrial Chain: The Company developed a core industrial chain in the form of “cement and ready-mixed concrete – modern building materials and commerce and logistics – property development – property investment and management”, resulting in a unique development model with all four major business segments incorporated. The overall advantage stands out with prominent inter-segmental synergy.

2. Competitive Edge in Technology R&D: The Company continues to enhance its investment in technology R&D to ensure the smooth advancement of each technology innovation project. In respect of technologies, the Company has a sharp edge in the industry which provides the Company with an enduring source of growth. By actively integrating resource of technology innovations, the Company built a brand new technology innovation system of “1+N”, a national, provincial and municipal level platform for technology innovation.

3. Competitive Edge in the Development of Circular Economy: Based on the integration of Beijing, Tianjin and Hebei Province and the objective of developing “People’s Beijing, High-Tech Beijing and Green Beijing”, the Company is putting more efforts in developing circular economy and low-carbon economy to embark on a sustainable path and provide the market with environment-friendly and energy-saving products. As one of the earliest pilot enterprises, the Company has been advocating the circular economy through the application of cement kiln technology, a proprietary technology of the Company that utilizes the advantage of the cement kiln, to generate power from its residual heat, to dispose industrial wastes, sludge from sewage treatment plants and hazardous

wastes and to control fly ashes from garbage incineration, leading to a coordinated synergy of economic, social and ecological efficiency. The application of the technology also provides cement enterprises with valuable practical experience to transform into environment-friendly enterprises. The Company is the first cement enterprise which received the "China's Environment Award" (中華環境獎).

4. Competitive Edge in the R&D and Manufacturing of Green Building Materials: Upholding the sustainable development concept of green building materials and green building, the Company makes full use of the competitive edge in the interaction between building materials manufacturing segment and property development segment and vigorously advocates the green transformation of building materials and property development and acts on the concept of green building by green building materials. The Company has used a large amount of green ready-mixed concrete and aerated concrete which facilitate the development of circular economy in its property development projects. The internal and external walls of aerated concrete developed by the Company can be widely applied to factory, public buildings and industrialized apartments, saving labor costs while integrating the insulating function of external walls, thus extending the life cycle of energy-saving function of walls to be the same with that of the building itself. The Company also developed the insulation system made from energy-saving and heat-preservation A grade fire-resistance inorganic fiber, environment-friendly paint and environment-friendly furniture which has led to a green interior environment that is both comfortable and safe.

5. Competitive Edge in Corporate Culture and Brand: The Company effectively achieves overall development by establishing scientific model for the control and management of corporate culture and improving the management procedures of the same. Standing on the strategic highland, the Company reviews its corporate culture construction from a macro perspective and forms basic framework and pattern for culture construction which is in line with the principle of "Showing personality while obtaining general acceptance among employees, embracing central tasks while delivering results as soon as possible" (突出自身特色，員工普遍認同，圍繞中心任務，盡快見到成效). Constantly extracting to encapsulate and exploring to innovate in practice, the Company effectively develops the corporate culture that takes the human spirit of the Company as its core essence. The human spirit of BBMG includes the value of "faith", "responsibility", "respect" and "eight special". The unique culture raises the brand awareness and the prestige of the Company. The continuous growth in corporate culture has created a sound cultural atmosphere and intelligence support for the materialization of development vision and objectives of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2013, the Group's consolidated total assets amounted to RMB89,115.8 million, an increase of 7.2% from the beginning of the Reporting Period which were financed by total liabilities of RMB62,350.6 million, minority interests of RMB2,889.7 million and total equity attributable to the shareholders of the parent company of RMB23,875.5 million. The asset quality of the Group was significantly improved; total shareholders' equity amounted to RMB26,765.2 million, an increase of 7.0% from the beginning of the Reporting Period. As at 30 June 2013, the Group's net current assets were RMB6,028.2 million, an increase of RMB2,389.3 million from the beginning of the Reporting Period. Debt ratio (total liabilities to total assets) was 69.97%, an increase of 0.06 percentage point from the beginning of the Reporting Period.

As at 30 June 2013, the Group's cash and bank balances amounted to RMB8,084.4 million, an increase of RMB2,178.3 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 30 June 2013, the Group's interest-bearing bank borrowings amounted to RMB18,918.9 million (31 December 2012: RMB18,721.4 million) and bore fixed interest rate. Of these borrowings, approximately RMB12,911.9 million interest bearing bank borrowings were due for repayment within one year, a decrease of approximately RMB1,052.4 million from the beginning of the Reporting Period. Approximately RMB6,007.0 million interest-bearing bank borrowings were due for repayment after one year, an increase of approximately RMB1,249.9 million from the beginning of the Reporting Period.

During the Reporting Period, the Company signed cooperation agreements with various banks to obtain credit facilities. The Company has sufficient capital for its operation. As at 30 June 2013, the Group has no future plans for material investments or capital assets.

COMMITMENTS

Unit: RMB

	As at 30 June 2013 (Unaudited)	As at 31 December 2012 (Audited)
Acquisition or construction of fixed assets which is contracted but not completed	**418,479,180.51**	600,880,577.76
Property development contracts which are contracted and being executed or will be executed	**6,715,086,132.93**	5,386,341,877.26
Equity investment contract which is contracted and being executed	**274,252,044.48**	216,500,000.00
	7,407,817,357.92	6,203,722,455.02

The significant commitments made by the Group as at 31 December 2012 have been duly performed as previously undertaken.

CONTINGENCIES

Unit: RMB

		30 June 2012 (Unaudited)	31 December 2012 (Audited)
Provision of guarantee to the parent company	*Note 1*	**800,000,000.00**	800,000,000.00
Provision of guarantee to third parties	*Note 2*	**3,041,713,100.77**	3,885,136,892.77
		3,841,713,100.77	4,685,136,892.77

Note 1: Being the guarantee provided by BBMG Hongye Ecological Science and Technology Co., Ltd., a subsidiary of the Group, to the parent company.

Note 2: Certain customers of the Group have purchased the commodity housing developed by the Group by way of bank mortgage (secured loans). According to the bank requirement in respect of the secured loans of the individual purchase of housing, the Group has provided guarantees to secure the periodical and joint obligation of such secured loans granted by banks for home buyers. These guarantees will be released upon obtaining building ownership certificates and completion of formalities of mortgage by the home buyers. The Directors are of the opinion that in the event of default in payments, the net realizable value of the relevant properties is sufficient to cover the outstanding mortgage principals together with the accrued interests and penalties, and therefore no provision for the guarantees has been made in the financial statements.

EMPLOYEES

As at 30 June 2013, the Group had 28,470 employees in total (as at 31 December 2012: 28,753). 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, lengths 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 material challenges for the Group or 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.

PLEDGE OF ASSETS

As at 30 June 2013, certain of the Group's bills receivable, inventories, fixed assets and investment properties amounting to approximately RMB5,237.9 million (31 December 2012: RMB6,393.3 million) were pledged to certain banks for securing the loans granted to the Group and the corporate debentures issued by BBMG Group Company Limited and accounted for approximately 5.9% of the total assets of the Group (31 December 2012: 7.7%).

TREASURY POLICIES

The Group adopts conservative treasury policies, controls tightly over its cash and carries out risk management in a stringent manner. The Group's cash and bank balances are held mainly in RMB. Surplus cash is generally placed in short term deposits denominated in RMB.

SUBSTANTIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

During the Reporting Period, the Group had not conducted any substantial acquisition or disposal of subsidiaries and associates that were required to be disclosed.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

As at the date of this announcement, the Group did not have any significant event after balance sheet date required to be disclosed.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

As at 30 June 2013, the total issued share capital of the Company was 4,283,737,060 shares, of which 3,114,354,625 were A shares and 1,169,382,435 were H shares and to the best knowledge of the directors of the Company (the "**Directors**"), the records of interest (being 5% or more of the Company's issued share capital) as registered in the register kept by the Company under section 336 of the Securities and Futures Ordinance (the "**SFO**") were as follows:

Long Positions:

Type of shareholding	Name of shareholder	Capacity and nature of interest	Number of shares held	Percentage of such shareholding in the same type of the issued share capital (%)	Percentage of total issued share capital (%)
A Shares	BBMG Group Company Limited	Directly and Beneficially Owned	1,844,852,426	59.24	43.07
A Shares	China National Materials Co., Ltd.	Directly and Beneficially Owned	239,580,000	7.69	5.59
H Shares	HSBC Global Asset Management (Hong Kong) Limited	Directly and Beneficially Owned	82,689,748	7.07	1.93
H Shares	Schroders Plc	Directly and Beneficially Owned	82,275,500	7.03	1.92
H Shares	BlackRock, Inc.	Directly and Beneficially Owned	72,811,813	6.22	1.70
H Shares	Sloane Robinson LLP	Directly and Beneficially Owned	70,497,000	6.03	1.65

Short positions:

Type of shareholding	Name of shareholder	Capacity and nature of interest	Number of shares held	Percentage of such shareholding in the same type of the issued share capital (%)	Percentage of total issued share capital (%)
A Shares	BBMG Group Company Limited	Directly and Beneficially Owned	92,120,474	2.96	2.15
H Shares	BlackRock, Inc.	Directly and Beneficially Owned	11,000	0.0009	0.0003

Save as disclosed above, as at 30 June 2013, there were no other parties who had interests or short positions in the shares or underlying shares of the Company which would fall to be recorded in the register required to be kept under section 336 of the SFO.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES AND UNDERLYING SHARES

As at 30 June 2013, none of the Directors, supervisors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, Chapter 571 of the Laws of Hong Kong), that was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the model code for securities transactions by the Directors, supervisors and relevant employees on terms no less exacting than the required trading standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Required Standard**"). Relevant employees who are likely to be in possession of unpublished price sensitive information of the Company in relation to the purchase and sale of the securities of the Company are also required to comply with the Required Standard.

As at 30 June 2013, the Directors were not aware of any issues of the Directors, supervisors and relevant employees not in compliance with the Required Standard during the six months ended 30 June 2013. Specific enquiry has been made to all Directors and supervisors, who have confirmed that they had complied with the Required Standard during the Reporting Period.

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

The Group did not sell any securities of the Company, nor did it repurchase or redeem any of the securities of the Company during the six months ended 30 June 2013.

CODE ON CORPORATE GOVERNANCE PRACTICES

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 Board is of the opinion that, for the six months ended 30 June 2013, the Company had complied with all the applicable provisions contained in the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules and Corporate Governance Code.

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.

AUDIT COMMITTEE

The Company has established the Audit Committee pursuant to the provisions of the Listing Rules, aimed 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 the meeting convened on 21 August 2013, the Audit Committee had reviewed the unaudited interim consolidated financial statements for the six months ended 30 June 2013. The Audit Committee has reviewed the accounting principles and practices adopted by the Group, considered the Group's financial statements for the first half of 2013 and recommended their adoption by the Board.

As at 30 June 2013, members of the Audit Committee are Mr Zhang Chengfu (independent non-executive Director), Mr Hu Zhaoguang (independent non-executive Director), Mr Yu Shiliang (non-executive Director), Mr Xu Yongmo (independent non-executive Director) and Mr Yip Wai Ming (independent non-executive Director). Mr Zhang Chengfu is the chairman of the Audit Committee.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE HONG KONG STOCK EXCHANGE

The electronic version of this announcement will be published on the website of the Hong Kong Stock Exchange (http://www.hkex.com.hk) and on the website of the Company (http://www.bbmg.com.cn). The 2013 interim financial report of the Company for the six months ended 30 June 2013 prepared in accordance with the Chinese Accounting Standards for Business Enterprises, which contains the applicable information required under Appendix 16 to the Listing Rules, will be despatched to the shareholders of the Company and published on the websites of the Hong Kong Stock Exchange and the Company in due course. The PRC domestic interim results report for the six months ended 30 June 2012 and its abstract 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 interim results announcement.

By order of the Board
BBMG Corporation*
Jiang Weiping
Chairman

Beijing, the PRC, 21 August 2013

As at the date of this announcement, the executive Directors are Jiang Weiping, Jiang Deyi, Shi Xijun, Zang Feng, Wang Hongjun and Wang Shizhong; the non-executive Director is Yu Shiliang; and the independent non-executive Directors are Hu Zhaoguang, Zhang Chengfu, Xu Yongmo and Yip Wai Ming.

* *for identification purposes only*