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 2015

FINANCIAL HIGHLIGHTS

- Operating revenue of RMB18,056.3 million, decreased by 12.5% from the interim period of 2014
- Gross profit margin from principal business of 27.4%, increased by 2.7 percentage points from the interim period of 2014
- Net profit of RMB1,021.6 million, decreased by 32.6% from the interim period of 2014
- Net profit attributable to shareholders of the parent company of RMB1,047.7 million, decreased by 24.1% from the interim period of 2014
- Core net profit attributable to the shareholders of the parent company (excluding the after tax net fair value gains on investment properties) of RMB852.3 million, decreased by RMB328.0 million or 27.8% from the interim period of 2014
- Basic earnings per share attributable to the shareholders of the parent company was RMB0.22

The board of directors (the "**Board**") of BBMG Corporation (the "**Company**" or "**BBMG**") 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 2015 (the "**Reporting Period**") together with the comparative figures for the corresponding period of 2014, 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 2015, the Group achieved a net profit attributable to shareholders of the parent company of approximately RMB1,047.7 million, representing a decrease of approximately 24.1% over the corresponding period last year; basic earnings per share was approximately RMB0.22 (for the six months ended 30 June 2014: RMB0.30), representing a decrease of approximately 26.7% over the corresponding period last year; total equity attributable to the shareholders of the parent company was approximately RMB31,529.1 million at the end of the Reporting Period, representing an increase of approximately RMB421.9 million from the beginning of the Reporting Period; and net assets value per share attributable to the shareholders of the parent company as at 30 June 2015 was approximately RMB6.59, representing an increase of approximately RMB0.09 from the beginning of the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

UNAUDITED CONSOLIDATED INCOME STATEMENT

Unit: RMB

	Notes	**For the six months ended 30 June 2015 (Unaudited)**	For the six months ended 30 June 2014 (Unaudited)
Operating revenue	*3*	**18,056,290,640.79**	20,637,809,082.36
Less: Operating costs	*4*	**13,107,106,371.02**	15,481,691,100.41
Business tax and surcharges		**1,006,148,156.47**	818,114,821.61
Selling expenses	*5*	**703,873,139.55**	687,298,907.54
Administrative expenses	*6*	**1,465,997,581.26**	1,453,113,406.01
Finance costs	*7*	**684,185,255.43**	593,339,737.33
Asset impairment losses		**25,856,388.20**	82,852,045.27
Add: Gains from changes in fair value		**260,611,970.35**	267,100,000.00
Investment gains/(losses)		**(12,579,115.88)**	1,780,962.60
Including: Gains/(losses) on investments in associates and jointly-controlled entities		***(12,636,756.41)***	*1,780,962.60*
Operating profit		**1,311,156,603.33**	1,790,280,026.79
Add: Non-operating revenue	*3*	**245,682,418.40**	315,196,351.34
Including: Gains from disposal of non-current assets		***3,344,742.68***	*2,029,997.10*
Less: Non-operating expenses	*4*	**32,141,893.22**	18,814,359.90
Including: Loss on disposal of non-current assets		***5,322,143.01***	*2,714,564.15*
Total profit		**1,524,697,128.51**	2,086,662,018.23
Less: Income tax expenses	*8*	**503,095,443.62**	569,862,168.61
Net profit		**1,021,601,684.89**	1,516,799,849.62
Net profit attributable to the shareholders of the parent company		**1,047,743,415.43**	1,380,649,065.77
Minority interests		**(26,141,730.54)**	136,150,783.85
Earnings per share	*9*		
Basic earnings per share (RMB/share)		**0.22**	0.30
Diluted earnings per share (RMB/share)		**0.22**	0.30

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Net other comprehensive income after tax		
Net other comprehensive income after tax attributable to shareholders of the parent company		
Other comprehensive income not allowed to be reclassified into profit or loss in subsequent accounting period		
Changes arising from re-measurement of net liabilities or net assets of defined benefit plans	**–**	(20,559,238.00)
Other comprehensive income to be reclassified into profit or loss upon satisfaction of specified conditions in subsequent accounting period		
Exchange differences on foreign currency translation	**1,437.58**	(1,194.19)
Net other comprehensive income after deducting income tax effect	**1,437.58**	(20,560,432.19)
Net other comprehensive income after tax attributable to minority interests	**–**	–
Total comprehensive income	**1,021,603,122.47**	1,496,239,417.43
Including:		
Total comprehensive income attributable to the shareholders of the parent company	***1,047,744,853.01***	*1,360,088,633.58*
Total comprehensive income attributable to minority interests	***(26,141,730.54)***	*136,150,783.85*

UNAUDITED CONSOLIDATED BALANCE SHEET
Unit: RMB

	Notes	**As at 30 June 2015 (Unaudited)**	As at 31 December 2014 (Audited)
Assets			
Current Assets			
Cash and bank balances		**8,210,654,264.74**	10,980,171,602.68
Bills receivable		**2,027,447,550.03**	2,651,027,709.78
Accounts receivable	*11*	**6,293,431,481.03**	5,404,832,534.14
Prepayments		**3,266,730,236.77**	3,526,981,050.00
Interests receivable		**2,641,275.74**	2,641,275.74
Dividends receivable		**3,041,000.00**	2,190,000.00
Other receivables		**2,650,370,961.97**	1,875,875,683.44
Inventories		**51,119,829,465.30**	48,853,159,420.39
Other current assets		**1,952,788,609.06**	1,721,926,542.06
Total current assets		**75,526,934,844.64**	75,018,805,818.23
Non-current assets			
Available for sale financial assets		**1,105,113,250.00**	1,105,113,250.00
Long-term equity investments		**300,096,004.92**	313,866,323.17
Investment properties		**14,312,421,009.38**	14,051,809,039.03
Fixed assets		**18,168,526,155.04**	18,021,194,232.60
Construction in progress		**1,251,891,887.72**	834,891,670.62
Construction materials		**13,891,048.34**	10,744,028.39
Intangible assets		**4,061,027,805.92**	3,977,201,603.72
Goodwill		**261,109,608.57**	261,109,608.57
Long-term deferred expenditures		**279,451,979.78**	289,777,104.17
Deferred income tax assets		**1,440,157,407.15**	1,400,919,003.46
Other non-current assets		**423,548,035.34**	399,538,994.71
Total non-current assets		**41,617,234,192.16**	40,666,164,858.44
Total assets		**117,144,169,036.80**	115,684,970,676.67

	Notes	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Liabilities and equity attributable to shareholders			
Current liabilities			
Short-term loans	*12*	**14,644,489,810.68**	11,635,636,481.02
Bills payable		**326,891,000.00**	237,215,529.94
Accounts payable	*13*	**8,792,444,870.56**	9,297,548,205.02
Receipts in advance		**16,194,860,365.20**	16,529,668,285.63
Wages payable		**116,826,024.25**	124,579,259.90
Tax payable		**442,402,994.17**	819,948,626.81
Interest payable		**602,572,442.93**	493,293,223.16
Dividends payable		**180,539,573.98**	55,522,242.70
Other payables		**4,602,681,182.88**	3,078,343,439.23
Short-term financing bonds payable	*14*	**1,000,000,000.00**	6,600,000,000.00
Non-current liabilities due within one year		**9,744,589,048.34**	6,116,513,981.62
Other current liabilities		**4,970,202,188.64**	4,525,386,360.91
Total current liabilities		**61,618,499,501.63**	59,513,655,635.94
Non-current liabilities			
Long-term loans	*15*	**3,764,000,000.00**	6,779,500,000.00
Bonds payable	*14*	**11,700,000,000.00**	9,069,911,156.24
Long-term payables		**20,730,882.06**	22,209,372.56
Long-term wages payable		**435,450,198.00**	444,185,934.00
Accrued liabilities		**96,948,006.45**	101,078,282.54
Deferred income		**657,572,825.91**	641,674,749.80
Deferred income tax liabilities		**2,610,220,626.77**	2,551,167,406.15
Other non-current liabilities		**601,559,996.42**	314,199,998.01
Total non-current liabilities		**19,886,482,535.61**	19,923,926,899.30
Total liabilities		**81,504,982,037.24**	79,437,582,535.24

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Equity attributable to shareholders		
Share capital	**4,784,640,284.00**	4,784,640,284.00
Capital reserve	**7,506,667,476.20**	7,898,685,039.67
Other comprehensive income	**234,801,371.21**	234,799,933.63
Specific reserve	**13,296,370.30**	7,925,485.30
Surplus reserve	**828,495,276.27**	828,495,276.27
General risk reserve	**46,583,550.85**	37,637,667.87
Retained earnings	**18,114,650,029.31**	17,315,084,511.06
Total equity attributable to the shareholders of the parent company	**31,529,134,358.14**	31,107,268,197.80
Minority interests	**4,110,052,641.42**	5,140,119,943.63
Total equity attributable to shareholders	**35,639,186,999.56**	36,247,388,141.43
Total liabilities and equity attributable to shareholders	**117,144,169,036.80**	115,684,970,676.67

Notes:

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

The interim financial statements are prepared in accordance with Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting issued by the Ministry of Finance and do not include all the information and disclosures of the audited financial statements for the year 2014. Accordingly, the interim financial statements should be read in conjunction with the Group's audited financial statements for the year 2014 which were prepared in accordance with 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 interim financial statements are in compliance with the requirements under the Accounting Standards for Business Enterprises No. 32 – Interim Financial Reporting, and truly and completely reflect the financial position of the Company and the Group as at 30 June 2015 and the results of operations and cashflow for the six months ended 30 June 2015. The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the financial statements for the previous year which were prepared in accordance with Accounting Standard for Business Enterprises.

2. OPERATING SEGMENT INFORMATION

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 and sale of building materials and furniture and commerce and logistics ;

(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 results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is used to measure adjusted total profit. The adjusted total profit is measured consistently with the Group's total profit except for the expenses attributable to headquarters.

Segment assets and liabilities exclude unallocated assets and liabilities attributable to headquarters as these assets and liabilities are managed by the Group.

The prices for inter-segment transfers are determined with reference to the prices adopted for transactions with third parties at the prevailing market prices and by negotiation between the parties.

For the six months ended 30 June 2015 (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	5,254,487,881.61	5,019,718,228.96	6,481,847,273.16	1,300,237,257.06	–	–	18,056,290,640.79
Revenues from inter-segment transactions	3,073,391.50	144,173,606.69	–	72,082,382.00	–	(219,329,380.19)	–
	5,257,561,273.11	5,163,891,835.65	6,481,847,273.16	1,372,319,639.06	–	(219,329,380.19)	18,056,290,640.79
Gains/(losses) on investments in jointly-controlled entities and associates	(4,720,753.61)	(8,221,662.61)	–	305,659.81	–	–	(12,636,756.41)
Impairment losses from assets	33,978,422.39	(10,006,487.57)	1,928,336.06	(43,882.68)	–	–	25,856,388.20
Depreciation and amortization	585,216,428.56	66,295,085.68	5,605,710.68	65,726,974.02	14,711,547.88	–	737,555,746.82
Total profit/(loss)	(314,037,923.24)	(37,484,109.34)	1,562,994,712.04	789,877,405.44	(476,566,956.39)	(86,000.00)	1,524,697,128.51
Income tax expenses	16,833,300.49	(494,697.49)	400,215,411.84	205,704,667.88	(119,141,739.10)	(21,500.00)	503,095,443.62
Increase in other non-current assets (excluding long-term equity investments)	587,325,343.02	346,541,528.84	5,281,134.88	49,592,039.55	–	–	988,740,046.29
As at 30 June 2015							
Total assets	29,102,158,412.86	10,217,775,064.19	63,784,251,607.13	26,975,965,570.42	1,200,542,486.67	(14,136,524,104.47)	117,144,169,036.80
Total liabilities	14,811,524,910.37	4,519,158,462.71	52,362,205,309.25	6,773,379,626.37	14,432,210,672.77	(11,393,496,944.23)	81,504,982,037.24
Other disclosure							
Long-term equity investment in jointly-controlled entities and associates	23,090,088.47	273,055,363.87	–	3,950,552.58	–	–	300,096,004.92

For the six months ended 30 June 2014 (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	5,915,604,421.39	5,656,858,793.40	7,924,658,899.78	1,140,686,967.79	–	–	20,637,809,082.36
Revenues from inter-segment transactions	9,226,811.28	233,136,032.71	–	69,691,524.75	–	(312,054,368.74)	–
	5,924,831,232.67	5,889,994,826.11	7,924,658,899.78	1,210,378,492.54	–	(312,054,368.74)	20,637,809,082.36
Gains/(losses) on investments in associates and jointly-controlled entities	1,951,512.10	(704,114.48)	–	533,564.98	–	–	1,780,962.60
Impairment losses from assets	45,995,471.88	4,269,129.31	(37,437.10)	32,624,881.18	–	–	82,852,045.27
Depreciation and amortization	520,267,545.74	59,521,764.81	4,757,125.56	85,992,883.50	11,143,503.76	–	681,682,823.37
Total profit	57,864,155.66	(858,131.13)	1,774,697,210.88	652,274,977.53	(387,200,796.03)	(10,115,398.68)	2,086,662,018.23
Income tax expenses	35,826,568.62	(6,783,799.24)	460,836,524.61	179,311,923.30	(96,800,199.01)	(2,528,849.67)	569,862,168.61
Increase in other non-current assets (excluding long-term equity investments)	469,095,416.75	198,173,259.63	8,671,301.22	85,270,629.38	–	–	761,210,606.98
As at 30 June 2014							
Total assets	27,587,826,812.20	9,963,429,181.37	49,504,017,532.88	23,394,129,126.73	1,071,986,000.65	(8,667,542,343.88)	102,853,846,309.95
Total liabilities	13,418,169,135.36	4,095,021,974.44	39,312,377,185.54	6,241,468,075.65	12,314,963,829.14	(6,468,917,517.54)	68,913,082,682.59
Other disclosure							
Long-term equity investment in associates and jointly-controlled entities	27,323,425.57	312,626,581.78	–	4,147,062.00	–	–	344,097,069.35

Geographical information

Segment revenue from external transactions of the Group are mainly derived from operations in the People's Republic of China ("**PRC**"). Major business, 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 2015, 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 2014: None).

3. OPERATING REVENUE AND NON-OPERATING REVENUE

Unit: RMB

Operating revenue is presented as follows:

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Operating revenue from principal business	**17,816,919,921.99**	20,350,151,825.28
Operating revenue from other business	**239,370,718.80**	287,657,257.08
	18,056,290,640.79	20,637,809,082.36

Operating revenue is presented as follows:

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Sale of products	**6,336,793,401.93**	7,120,105,920.58
Bulk commodity trade	**2,950,428,840.23**	3,443,614,430.35
Sale of properties	**6,467,707,141.00**	7,896,276,773.00
Rental income	**684,931,718.12**	601,957,924.12
Including: Rental income from investment properties	***615,928,319.03***	*502,547,463.48*
Rental income from other properties	***69,003,399.09***	*99,410,460.64*
Property management	**348,132,516.00**	336,819,211.78
Hotel management	**204,590,990.00**	170,030,348.70
Income from construction work	**461,184,455.38**	543,403,319.80
Disposal of solid waste	**257,285,529.51**	209,217,167.73
Others	**345,236,048.62**	316,383,986.30
	18,056,290,640.79	20,637,809,082.36

Operating revenue from principal business by product:

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Sale of products	**6,336,793,401.93**	7,061,942,691.15
Bulk commodity trade	**2,950,428,840.23**	3,443,614,430.35
Sale of properties	**6,467,707,141.00**	7,896,276,773.00
Including: Sale of affordable housing	***176,950,580.30***	*3,218,640,598.38*
Rental income from investment properties	**615,928,319.03**	502,547,463.48
Property management	**348,132,516.00**	336,819,211.78
Hotel management	**204,590,990.00**	170,030,348.70
Income from decoration	**461,184,455.38**	543,403,319.80
Disposal of solid waste	**257,285,529.51**	209,217,167.73
Others	**174,868,728.91**	186,300,419.29
	17,816,919,921.99	20,350,151,825.28

Non-operating revenue is presented as follows:

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Gains from disposal of non-current assets	**3,344,742.68**	2,029,997.10
Including: Gains from disposal of fixed assets	***3,344,742.68***	*2,029,997.10*
Gains from debt restructuring	**350,641.45**	987,786.89
Net gains from fines	**3,186,877.61**	6,542,322.56
Government grants	**194,073,407.34**	284,028,073.80
Unpayable amounts	**13,255,289.88**	3,410,974.48
Others	**31,471,459.44**	18,197,196.51
	245,682,418.40	315,196,351.34

4. OPERATING COSTS AND NON-OPERATING EXPENSES

Unit: RMB

Operating cost is presented as follows:

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Operating costs for principal business	**12,931,056,697.59**	15,320,152,410.17
Operating costs for other business	**176,049,673.43**	161,538,690.24
	13,107,106,371.02	15,481,691,100.41

Operating costs from principal business by product:

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Sale of products	**5,367,659,808.81**	5,745,366,148.86
Bulk commodity trade	**2,924,943,741.21**	3,418,727,649.18
Sale of properties and land	**3,546,218,912.31**	5,016,385,629.21
Including: Sale of affordable housing	***112,382,612.61***	*2,534,370,721.64*
Rental income from investment properties	**91,355,486.17**	39,359,018.72
Property management	**251,135,943.00**	238,841,773.00
Hotel management	**101,339,751.87**	128,416,740.88
Income from decoration	**419,588,884.87**	486,099,616.62
Disposal of solid waste	**169,680,211.57**	159,259,857.71
Others	**59,133,957.78**	87,695,975.99
	12,931,056,697.59	15,320,152,410.17

Non-operating expenses are presented as follows:

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Losses from disposal of fixed assets	**5,322,143.01**	2,714,564.15
Including: Losses from disposal of fixed assets	***5,322,143.01***	*2,714,564.15*
Losses from debt restructuring	**81,942.28**	303,346.08
Donation	**332,826.63**	508,417.91
Expense on compensation, penalties and fines	**19,988,584.03**	8,699,346.98
Others	**6,416,397.27**	6,588,684.78
	32,141,893.22	18,814,359.90

5. SELLING EXPENSES

Unit: RMB

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Employee remuneration	**218,413,216.17**	202,220,013.44
Office expenses	**63,506,874.18**	65,332,018.90
Lease fee	**50,896,792.18**	52,803,337.69
Agency intermediary fee	**84,070,322.25**	104,488,393.02
Advertisement fee	**121,641,266.24**	86,997,847.29
Transportation and travelling expenses	**155,704,236.29**	171,015,223.59
Others	**9,640,432.24**	4,442,073.61
	703,873,139.55	687,298,907.54

6. ADMINISTRATIVE EXPENSES

Unit: RMB

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Employee remuneration	**674,242,164.16**	674,978,266.47
Office expenses	**204,362,577.60**	210,671,490.83
R&D expenses	**41,655,002.15**	29,456,225.55
Intermediary service fees	**54,894,725.50**	64,714,358.54
Lease and utilities	**60,014,843.15**	57,113,148.49
Tax	**102,641,272.29**	100,180,022.47
Sewage and afforestation fees	**24,734,310.84**	33,029,795.22
Others	**303,452,685.57**	282,970,098.44
	1,465,997,581.26	1,453,113,406.01

7. FINANCE COSTS

Unit: RMB

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Interest expenses	**1,212,845,557.18**	1,020,578,098.24
Including: Interests on bank loans, overdrafts and other loans to be fully repaid within 5 years	***1,212,845,557.18***	*1,020,578,098.24*
Less: Interest income	**43,554,132.87**	40,290,333.39
Less: Amount of interest capitalized	**514,902,953.45**	431,899,990.48
Exchange gains and losses	**(944,765.54)**	304,561.11
Handling charges	**21,210,641.43**	31,440,679.24
Others	**9,530,908.68**	13,206,722.61
	684,185,255.43	593,339,737.33

8. INCOME TAX EXPENSES

Unit: RMB

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Current income tax expenses	**484,341,755.60**	529,101,659.77
Deferred income tax expenses	**18,753,688.02**	40,760,508.84
	503,095,443.62	569,862,168.61

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

	For the six months ended 30 June 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Total profit	**1,524,697,128.51**	2,086,662,018.23
Income tax expenses at statutory income tax rate of 25% *(Note 1)*	**381,174,281.93**	521,665,504.56
Effect of different tax rates of some subsidiaries	**(8,265,547.61)**	(7,882,084.42)
Share of profits and losses of jointly-controlled entities and associates	**3,159,189.10**	(445,240.65)
Income not subject to tax	**(1,062,143.41)**	(856,614.61)
Expenses not deductible	**11,061,750.38**	16,807,001.62
Deductible losses utilized from previous years	**(302,391.68)**	(3,089,680.00)
Adjustments on current income tax of previous periods	**(5,861,387.54)**	(10,793,550.13)
Effect of deductible temporary difference and deductible losses unrecognized	**123,191,692.45**	54,456,832.24
	503,095,443.62	569,862,168.61

Note 1: Income tax of the Group shall be calculated based on the estimated taxable income from Mainland China and the applicable tax rate. Taxes of taxable income arising from other regions shall be calculated based on the applicable tax rate pursuant to the existing laws, interpretations and practices in the jurisdiction where the Group operates.

Note 2: For the six months ended 30 June 2015, the shares of taxes attributable to jointly-controlled entities and associates were RMB100,353.67 and RMB1,829,363.59 respectively (for the six months ended 30 June 2014: RMB176,531.76 and RMB708,184.58 respectively).

9. 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 2015 (Unaudited)	For the six months ended 30 June 2014 (Unaudited)
Earnings		
Net profit for the period attributable to ordinary shareholders of the Company (RMB)	**1,047,743,415.43**	1,380,649,065.77
Shares		
Weighted average number of ordinary shares in issue of the Company	**4,784,640,284.00**	4,556,451,037.51

The Company did not have potentially dilutive ordinary shares.

10. INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend (for the six month ended 30 June 2014: Nil).

11. ACCOUNTS RECEIVABLE

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

An aged analysis of accounts receivable is as follows:

Unit: RMB

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Within 1 year	**5,398,421,394.85**	4,613,212,359.21
1 to 2 years	**957,155,694.72**	869,454,190.39
2 to 3 years	**204,347,574.76**	180,097,325.16
3 to 4 years	**51,458,263.40**	33,917,799.92
4 to 5 years	**31,839,209.24**	26,077,898.89
Over 5 years	**63,311,456.33**	62,663,210.83
	6,706,533,593.30	5,785,422,784.40
Less: provision for bad debt of accounts receivable	**(413,102,112.27)**	(380,590,250.26)
	6,293,431,481.03	5,404,832,534.14

The movements in provision for bad debts of accounts receivable are as follows:

	For the six months ended 30 June 2015 (Unaudited)	For the year ended 31 December 2014 (Audited)
Opening balance for the period/year	**380,590,250.26**	331,577,447.00
Provision for the period/year	**34,762,447.05**	90,855,743.03
Transfer in on acquisition of subsidiaries	**150,000.00**	–
Reversal for the period/year	**(2,302,352.71)**	(39,657,429.33)
Write-off for the period/year	**(98,232.33)**	(2,185,510.44)
Closing balance for the period/year	**413,102,112.27**	380,590,250.26

12. SHORT-TERM LOANS

Unit: RMB

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Guaranteed loans *(Note)*	**197,000,000.00**	227,000,000.00
Credit loans	**13,860,978,000.00**	10,805,152,900.00
Mortgaged loans	**567,798,720.00**	598,500,000.00
Pledged loans	**18,713,090.68**	4,983,581.02
	14,644,489,810.68	11,635,636,481.02

Note: As at 30 June 2015, all guarantees were provided by entities within the Group.

As at 30 June 2015, the interest rates of the above loans were 3.95%-13.57% per annum (as at 31 December 2014: 3.95%-8.0%).

As at 30 June 2015, the Group had no outstanding short-term loans that were due.

13. 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

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Within 1 year	**6,882,816,269.30**	7,245,401,853.28
1 to 2 years	**1,055,398,209.28**	1,192,618,646.19
2 to 3 years	**695,971,414.65**	661,708,058.41
Over 3 years	**158,258,977.33**	197,819,647.14
	8,792,444,870.56	9,297,548,205.02

14. SHORT-TERM FINANCING BONDS PAYABLE AND BONDS PAYABLE

Unit: RMB

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Non-current portion:		
Corporate bonds	**–**	1,869,911,156.24
Medium-term notes	**7,000,000,000.00**	7,000,000,000.00
Private bonds	**4,700,000,000.00**	200,000,000.00
	11,700,000,000.00	9,069,911,156.24
Current portion:		
Short-term financing bonds	**1,000,000,000.00**	6,600,000,000.00
Bonds payable due within one year	**4,681,273,744.80**	2,800,000,000.00
	5,681,273,744.80	9,400,000,000.00

1) Pursuant to the approval document (Fa Gai Cai Jin [2009] No.1009) issued by National Development and Reform Commission on 27 April 2009, the Company issued the 2009 corporate bonds ("**2009 BBMG Bond**") in open market, totaling RMB1,900,000,000 at a nominal interest rate of 4.32%. Bond holders may exercise their sale back rights on 27 April 2014, being the 5-year maturity date. On 11 April 2014, the Company published a notice through the website of China Bond reminding investors of 2009 BBMG Bond of their sale back rights. Of the total outstanding amount of bonds, the amount of bonds on which bond holders exercised their sale back rights was RMB1,370,000,000, and the amount of bonds on which bond holders did not exercise such rights was RMB530,000,000. In respect of the RMB1,370,000,000 worth of bonds on which sale back rights were exercised, the Company re-sold such portion of bonds with the same nominal interest rate of 4.32% on 27 April 2014, and the actual interest rate was 6.15%. The maturity date of the original RMB530,000,000 worth of bonds and the RMB1,370,000,000 worth of bonds re-sold is 27 April 2016.

2) Upon consideration and approval by the 2009 annual general meeting of the Company held on 29 June 2010, the Company proposed to issue medium-term notes of no more than RMB3,400,000,000 with a maturity of 5 years. On 8 September 2010, the registration for the issue of the medium-term notes was accepted by the National Association of Financial Market Institutional Investors pursuant to the Notice of Registration Acceptance (Zhong Shi Xie Zhu [2010] No.MTN89). According to the notice, the medium-term notes to be issued by the Company would have a registered amount of RMB2,800,000,000, which would be valid for 2 years, and may be issued in tranches within the validity period of the registration. On 29 September 2010, the Company issued the first tranche of medium-term notes totaling RMB2,000,000,000 with a term of 5 years and a nominal interest rate of 4.38%. On 7 December 2010, the Company issued the second tranche of medium-term notes totaling RMB800,000,000 with a term of 5 years and a nominal interest rate of 5.85%.

3) Upon consideration and approval by the 2011 annual general meeting of the Company held on 24 May 2012, the Company proposed to issue bonds (including short-term financing bonds and medium-term notes) of no more than RMB3,000,000,000. Pursuant to the document Zhong Shi Xie Zhu [2012] No. MTN241 issued by the National Association of Financial Market Institutional Investors, the Company issued its first tranche of medium-term notes for 2012 totaling RMB2,000,000,000 on 20 September 2012 with a term of 5 years and a nominal interest rate of 5.58%.

4) Upon consideration and approval by the 19th meeting of the 2nd session of the Board held on 28 August 2012 and the first extraordinary general meeting in 2012 held on 26 October 2012, the Company proposed to issue short-term financing bonds of no more than RMB7,600,000,000. Pursuant to the document Zhong Shi Xie Zhu [2014] No. CP54 issued by the National Association of Financial Market Institutional Investors, the Company issued its first tranche of short-term financing bonds for 2014 on 23 January 2014, totaling RMB2,600,000,000 with a nominal interest rate of 6.5%. The Company issued its second tranche of short-term financing bonds for 2014 on 17 March 2014, totaling RMB2,000,000,000 with a nominal interest rate of 5.49%; the Company issued its third tranche of short-term financing bonds for 2014 on 4 May 2014, totaling RMB1,000,000,000 with a nominal interest rate of 5.35%; and the Company issued its fourth tranche of short-term financing bonds for 2014 on 1 September 2014, totaling RMB1,000,000,000 with a nominal interest rate of 4.97%.

5) Pursuant to the document Zhong Shi Xie Zhu [2013] No. MTN279 issued by the National Association of Financial Market Institutional Investors, the Company issued its first tranche of medium-term notes for 2013 on 14 October 2013, totaling RMB1,500,000,000 with a term of 5 years and a nominal interest rate of 5.8%.

6) Pursuant to the document Zhong Shi Xie Zhu [2014] No. MTN316 issued by the National Association of Financial Market Institutional Investors, the Company issued its first tranche of medium-term notes for 2014 on 15 October 2014, totaling RMB2,000,000,000 with a term of 5 years and a nominal interest rate of 5.35%; and the Company issued its second tranche of medium-term notes for 2014 on 17 November 2014, totaling RMB1,500,000,000 with a term of 5 years and a nominal interest rate of 5.3%.

7) As approved at the fifteenth meeting of the third session of the Board of the Company on 23 December 2014, Beijing Building Material Test Center Co., Ltd. ("**Building Material Test Center**"), Beijing BBMG Cement Energy Saving Technology Co., Ltd. ("**Cement Energy Saving Technology**"), both of which are wholly-owned subsidiaries of the Company, issued SME private placement bonds on Beijing Equity Exchange Centre Co. Ltd., with an intended total issue size of RMB200,000,000, of which Building Material Test Center issued RMB100,000,000 on 26 December 2014 and Cement Energy Saving Technology issued RMB100,000,000 on 27 December 2014, respectively. The bonds have a term of 2 years with a nominal interest rate of 7.5%.

8) Pursuant to the document Zhong Shi Xie Zhu [2014] No. PPN570 issued by the National Association of Financial Market Institutional Investors, the Company issued its first tranche of debt financing instruments for 2015 through private placement on 5 February 2015, totaling RMB2,000,000,000 with a term of 3 years and a nominal interest rate of 5.50%; and the Company issued its second tranche of debt financing instruments for 2015 through private placement on 19 March 2015, totaling RMB2,500,000,000 with a term of 3 years and a nominal interest rate of 5.46%.

15. LONG-TERM LOANS

Unit: RMB

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Mortgaged loans	**3,104,000,000.00**	4,629,500,000.00
Guaranteed loans *(Note)*	**–**	840,000,000.00
Credit loans	**660,000,000.00**	1,310,000,000.00
	3,764,000,000.00	6,779,500,000.00

Note: As at 30 June 2015, there were no guaranteed loans (as at 31 December 2014: RMB840,000,000.00 was guaranteed by BBMG Group Company Limited ("**BBMG Group**")).

As at 30 June 2015, the above loans bore an interest rate of 5.18%-6.55% (31 December 2014: 5.54%-6.55%) per annum.

16. NET CURRENT ASSETS

Unit: RMB

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Current assets	**75,526,934,844.64**	75,018,805,818.23
Less: current liabilities	**(61,618,499,501.63)**	(59,513,655,635.94)
Net current assets	**13,908,435,343.01**	15,505,150,182.29

17. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Total assets	**117,144,169,036.80**	115,684,970,676.67
Less: current liabilities	**(61,618,499,501.63)**	(59,513,655,635.94)
Total assets less current liabilities	**55,525,669,535.17**	56,171,315,040.73

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 2015, and the operating results of the Company during the said period for your review.

Interim Results

During the Reporting Period, the Company recorded operating revenue of approximately RMB18,056.3 million, representing a year-on-year decrease of 12.5%; net profit attributable to the shareholders of the parent company of approximately RMB1,047.7 million, representing a year-on-year decrease of 24.1%; and basic earnings per share attributable to the shareholders of the parent company of RMB0.22.

Review

During the Reporting Period, the pressure for global economic downturn lingered and China witnessed slower economic growth. Market demand contracted and environmental protection pressure further accumulated. Confronting the complex and grim economic landscape, the Board seized development trends and opportunities precisely by defining a clear direction for development, formulating development strategies in a scientific manner and fine-tuning the course of growth, so as to rise to the challenges. By proactively leading and promoting industry development pressing ahead with energy saving and environmental protection as well as industrial transformation and upgrade, the Company stepped up efforts to draw upon its leading advantages in strategic planning, resources integration, refined management and technological innovation, and delivered sound performance in various indicators and tasks.

The cement and ready-mixed concrete segment leveraged its advantage in strategic planning to accelerate transformation and upgrade, improve its energy conservation capability, enhance synergy in its development, boost external market operations and build a competition-cooperation development mode, achieving smooth operation against the tightening of profit margins in the industry. The property development segment proactively adapted to the changing market by grasping opportunities in the rebounding market, timely adjusting sales strategies, and sustaining the hot sales of its projects. The sound brand image of BBMG was further reinforced through continual improvements in brand value and reputation. Adhering to the industrial park-based production pattern and the integrated marketing mechanism, the modern building materials and commerce and logistics segment consistently enhanced its overall operation quality while preliminarily shaping an operation mode with bulk trades, agency services, and international trades as its core elements. The property investment and management segment continued its healthy development through the parallel improvement in the service quality and revenue level of its projects, and the simultaneous growth in the operational results and market share of its business hotels and apartments.

Prospects

In the second half of 2015, with the continual optimisation of the economic structure, innovation will become the engine for the promotion of both economic and social development. In line with the gradual implementation of the synergetic development plan of Beijing, Tianjin, and Hebei, the adjustment of positioning and dispersal of key non-capital functions, and the tightening up of environmental protection measures by the government, the Company will actively rise to the market challenges and seize policy opportunities with a full understanding of the macro economic condition, so as to effectively resolve emerging problems which deter corporate development with the Company's current conditions in mind through improving refined management, and stepping up cost control and reduction and destocking. The Company will leverage policy and industry dispersal opportunities through closely acting in line with the capital positioning requirements for core functions, grasping new opportunities arising from industry transformation and upgrade and adapting to the new energy saving and emission reduction mechanism focusing on both incentives and restraints. The Company will step up efforts in boosting its innovation abilities in key sections and main business areas, and expedite the formulation of a new innovation-driven development mode by furthering innovative thinking.

Through constantly elevating the standards of internal control, the Company will continue to improve its corporate governance structure featuring coordinated operation, effective implementation and scientific check and balance, and cultivate economic growth momentum through boosting its self-innovative capabilities. Adhering to the development principle of "harmonious unity of economic, social, and ecological benefits", the Company will firmly establish accountability consciousness and the management philosophy of sustainable development so as to further accelerate the transformation into energy-saving and environment-friendly development. The Company will also enhance the establishment of the BBMG culture system, thereby providing a cultural base for the Company to win a leading position and achieve sustainable development amid fierce market competition.

MANAGEMENT DISCUSSION AND ANALYSIS

Summary of Financial Information

Unit: RMB million

	For the six months ended 30 June		
	2015	2014	**Change**
	(Unaudited)	(Unaudited)	
Operating revenue	**18,056.3**	20,637.8	-12.5%
Operating revenue from principal business	**17,816.9**	20,350.2	-12.4%
Gross profit from principal business	**4,885.9**	5,030.0	-2.9%
Gross profit margin from principal business (%)	**27.4**	24.7	an increase of 2.7 percentage points
Total profit	**1,524.7**	2,086.7	-26.9%
Net profit	**1,021.6**	1,516.8	-32.6%
Net profit attributable to the shareholders of the parent company	**1,047.7**	1,380.6	-24.1%
Basic earnings per share (RMB)	**0.22**	0.30	-26.7%

	As at 30 June 2015	As at 31 December 2014	**Change**
	(Unaudited)	(Audited)	
Cash and bank balances	**8,210.7**	10,980.2	-25.2%
Current assets	**75,526.9**	75,018.8	0.7%
Current liabilities	**61,618.5**	59,513.7	3.5%
Net current assets	**13,908.4**	15,505.2	-10.3%
Non-current assets	**41,617.2**	40,666.2	2.3%
Non-current liabilities	**19,886.5**	19,923.9	-0.2%
Total assets	**117,144.2**	115,685.0	1.3%
Equity attributable to the shareholders of the parent company	**31,529.1**	31,107.3	1.4%
Debt ratio (total liabilities to total assets)(%)	**69.6%**	68.7%	an increase of 0.9 percentage point

Summary of Business Information

	For the six months ended 30 June 2015	2014	Change
Cement and Ready-mixed Concrete Segment			
Sales volume of cement (in million tonnes)	**17.1**	18.4	-6.9%
Sales volume of concrete (in million cubic metres)	**5.2**	5.6	-6.5%
Modern Building Materials and Commerce and Logistics Segment			
Refractory materials (in thousand tonnes)	**99.7**	94.7	5.3%
Property Development Segment			
Booked GFA (in thousand sq.m.)	**398.1**	782.2	-49.1%
Contracted sales GFA (in thousand sq.m.)	**357.9**	660.3	-45.8%
Property Investment and Management Segment			
Gross GFA of investment properties (in thousand sq.m.)	**749.0**	760.8	-1.6%

During the Reporting Period, in face of the complicated market environment and the economy's huge downtrend pressure, the Company was steadfast to the fundamental working principle of achieving progress while maintaining stability. With a focus on improving the quality and efficiency of economic development, the Company took a proactive stance in adapting to the new normal and faced challenges head-on. Determined and confident to propel its development, the Company was unrelenting in its will and target to strengthen, expand and consolidate the industry. By ways including effective arrangements of production operations, great emphasis on development quality and furtherance of the essence of development, the Company delivered sound performance in major economic indicators as well as key business tasks, not only sustaining the Company's stable and positive development momentum, but also keeping itself as one of the industry leaders as demonstrated by key economic indicators.

Nevertheless, under a string of factors including China's slowing macro-economy, weakening investment growth, sluggish market demand, harsher resource and environmental constraints and rising production costs including staff costs, the sales and price of construction materials including cement remained depressed, commerce business scales contracted owing to risk prevention initiatives, and key economic indicators of the Company for the Reporting Period recorded a year-on-year decrease. Operating revenue amounted to RMB18,056.3 million, among which operating revenue from principal business amounted to RMB17,816.9 million, a year-on-year decrease of 12.5%; total profit amounted to RMB1,524.7 million, a year-on-year decrease of 26.9%; net profit amounted to RMB1,021.6 million, a year-on-year decrease of 32.6%, and net profit attributable to the shareholders of the parent company amounted to RMB1,047.7 million, a year-on-year decrease of 24.1%.

Analysis of the Operation of Business Segments

(I) Cement and Ready-Mixed Concrete Segment

The segment continued to enhance its industrial layout, extend its industrial chain, enrich the essence of the "grand cross-shape" (大十字) strategy of the Company's cement and ready-mixed concrete segment, and steadily pressed ahead with the construction of building material bases in southern, central and northern Hebei Province, so as to constantly consolidate and expand its influence over regional markets. Facing mounting challenges posed by regional overcapacity, sluggish market demand and extremely harsh resource and environmental constraints, the Company pursued a development path with production cost reduction as the focus. The Company accelerated the upgrade of its sales and marketing platform, continued to improve its service standards, in an aim to gain a competitive edge based on high quality and market differentiation. Enterprise transformation and upgrading were pushed forward to strengthen the development advantage of circular economy and eco-friendly businesses. Central tendering and procurement resulted in effective control and reduction of procurement cost. In addition, the Company stepped up its efforts in making technological innovations and enhanced the operation standards of its equipment. As one of the leaders in the regional market in terms of operating results, the Company also speeded up its extension of industrial chain to lay foundation for new areas of profit growth in the future while tightening its management of accounts receivable to reduce the enterprise's operating risks to a minimum.

During the Reporting Period, the cement and ready-mixed concrete segment recorded revenue from its principal business of RMB5,144.1 million, a year-on-year decrease of 11.2%, with gross profit from its principal business of RMB676.7 million, a year-on-year decrease of 32.2%. The consolidated sales volume of cement and clinker amounted to 17.1 million tonnes, a year-on-year decrease of 6.9%, among which cement sales volume was 13.7 million tonnes and clinker sales volume was 3.4 million tonnes, while the aggregate gross profit margin for cement and clinker was 10.8%, a year-on-year decrease of 5.1 percentage points. Total sales volume of concrete amounted to 5.2 million cubic metres, a year-on-year decrease of 6.5%, while the gross profit margin for concrete was 10.6%, a year-on-year decrease of 1.1 percentage points. The sales volume of aggregate was 2.6 million tonnes, a year-on-year decrease of 25.0%, while mortar sales volume was 415,100 tonnes, a year-on-year increase of 16.9%.

(II) Modern Building Materials and Commerce and Logistics Segment

Following the industrial park-based integrated pattern and the regional marketing mechanism, the segment carried out its production towards a park-based and integrated model supported by comprehensive auxiliary services, while extending its market reach to regional areas. With emphasis placed on consolidating the development foundation, improving internal control standards and enhancing profitability, the Company carried out in-depth diagnosis of the enterprise and delivered improvements in production and operation conditions as well as the quality of economic operations. The Company also innovated its way of operation, formulating a preliminary operating model with bulk materials business, agent service and international trading as its core businesses. Attention was paid to risk control and management in order to sustain the stable development of the commerce and logistics business.

During the Reporting Period, the modern building materials and commerce and logistics segment recorded operating revenue from its principal business of RMB5,124.5 million, a year-on-year decrease of 11.8%, while the gross profit from its principal business amounted to RMB508.4 million, a year-on-year increase of 2.9%.

(III) Property Development Segment

Adhering to the adjustment to "two structures" (兩個結構) and the guideline of "accelerating cash flow" (好 水 快 流), the Company succeeded in capturing market opportunities in a timely fashion, adjusted its sales strategy, regulated its control and management system and scheduled project construction in a rational manner, thereby remarkably enhancing the operating efficiency and profitability of projects, in addition to exploring and attempting to extend and upgrade its service segment. During the Reporting Period, the Company succeeded in capturing the recovering market and adjusting its sales strategy dynamically, witnessed by hugely popular demands for numerous projects in Beijing, Tianjin, Chongqing and Nanjing, which further promoted the brand value, market reputation and industrial influence of BBMG's property development segment.

During the Reporting Period, the property development segment recorded operating revenue from its principal business of RMB6,493.9 million, a year-on-year decrease of 18.2%, while the gross profit from its principal business was RMB2,941.0 million, a year-on-year increase of 1.2%. The booked GFA was 398,100 sq.m, a year-on-year decrease of 49.1%, among which booked GFA of commodity housing amounted to 366,400 sq.m, a year-on-year increase of 4.9%, and booked GFA of affordable housing amounted to 31,700 sq.m, a year-on-year decrease of 92.7%. Aggregated contracted sales area was 357,900 sq.m, a year-on-year decrease of 45.8%, among which contracted sales area for commodity housing amounted to 315,000 sq.m, a year-on-year decrease of 41.7%, and contracted sales area for affordable housing amounted to 42,900 sq.m, a year-on-year decrease of 64.3%. As at the end of the Reporting Period, the Company had total land reserve of 6,249,400 sq.m.

(IV) Property Investment and Management Segment

With the focus on further enhancing operations, innovating services, furthering integration and strengthening management, the real estate segment maintained steady and orderly development, while the service quality and income levels of high-end commercial real estate projects such as office buildings have steadily improved. Meanwhile, business results and market share of business hotels and international apartments improved in tandem. Community property management standards improved, and there was steady and orderly progress in work like integration of industrial and real estate resources and handover of personnel. The integrated service capabilities of real estate business continued to improve while the transformation of assets continued to escalate and the return on assets continued to improve, further demonstrating the brand effect.

During the Reporting Period, the property investment and management segment recorded operating revenue from its principal business of RMB1,264.0 million, a year-on-year increase of 14.5%, and gross profit from its principal business of RMB820.1 million, a year-on-year increase of 21.6%. As at the end of the Reporting Period, the Company had investment properties with a total area of 749,000 sq.m. in the core districts of Beijing, with consolidated average occupancy rate of 91.4% and consolidated average rental unit price of RMB7.69/sq.m./day.

Investment properties held by the Group as at 30 June 2015

	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	120.5	2,837.7	11.24	93%	23,540
Phase 2 of Global Trade Centre	North Third Ring Road, Beijing	Commercial	172.1	2,942.5	7.44	94%	17,099
Phase 3 of Global Trade Centre (Ground Floor Commercial)	North Third Ring Road, Beijing	Retail	71.7	1,078.2	7.34	97%	15,044
Tengda Plaza	West Second Ring Road, Beijing	Commercial	84.3	1,474.9	8.88	97%	17,504
Jin Yu Building	West Second Ring Road, Beijing	Commercial	44.8	964.1	8.22	98%	21,502
Jianda Building and Jiancai Jingmao Building	East Second Ring Road, Beijing	Commercial	59.3	1,218.1	4.98	98%	20,523
Dacheng Building	West Second Ring Road, Beijing	Commercial	42.8	882.3	9.42	90%	20,637
	Sub-total		595.5	11,397.8			
Other properties	Beijing Municipality	Commercial and retail	153.5	2,914.6			
	Total		749.0	14,312.4			19,109

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 made by the Company. 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 current period.

During the Reporting Period, the gains from changes in fair value of investment properties of the Company were RMB260.6 million, accounting for 17.1% of the profit before tax. The year-on-year decrease of gains from changes in fair value of investment properties of 2.4% during the Reporting Period was mainly due to a downward adjustment to the gains from changes in fair value of the investment properties by the valuer as a result of a year-on-year slowdown in rental growth of investment properties in the open market during the Reporting Period.

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

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 RMB703.9 million in the first half of 2015, an increase of RMB16.6 million year-on-year. Such increase was mainly attributable to a year-on-year increase in employee remuneration and advertisement expenses.

(2) Administrative expenses were RMB1,466.0 million in the first half of 2015, an increase of RMB12.9 million year-on-year. Such increase was mainly attributable to a year-on-year increase in losses from suspension of production and depreciation and amortisation expenses.

(3) Finance costs were RMB684.2 million in the first half of 2015, an increase of RMB90.8 million year-on-year. Such increase was mainly attributable to a year-on-year increase in interest expenses from bonds payable.

3. *Cash flows*

In the first half of 2015, a net decrease of RMB3,119.9 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 RMB74.0 million; net cash outflow generated from investment activities was RMB1,067.2 million; net cash outflow generated from financing activities was RMB2,127.6 million; and the effect of changes in exchange rate on cash and cash equivalents increased by RMB0.9 million.

CORE COMPETENCE ANALYSIS

The Company is one of the 12 large cement enterprises receiving key support from the Central Government, and the biggest cement and concrete manufacturer and supplier in the region covering Beijing, Tianjin and Hebei Province. Benefiting from the unique geographical advantages of Beijing, Tianjin and Hebei Province, the national strategy of synergetic integrated development of Beijing, Tianjin and Hebei Province and the planning layout of synchronous development of Beijing and Tianjin, the Company has developed notable edges in regional scale and market dominance, and has become a leading enterprise which is devoted to low-carbon, environmental protection, energy-saving and emission reduction initiatives, as well as development of the circular economy. As one of the largest affordable housing developers in Beijing, the Company owns relatively low-cost land reserve for property development in first-tier cities and abundant industrial land reserve. A leading supplier of green, eco-friendly and energy-saving building materials in the Pan Bohai region, the Company is also one of the largest holders and managers 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 more than 20 provinces, cities and regions in the PRC.

The core competitiveness of the Company is detailed as follows:

1. Competitive Edge in the Industrial Chain: The Company develops 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. With acceleration of industrial transformation and upgrading, the cement industry has turned from a grey industry to a green one, while the industry's development layout has shifted from single products to a comprehensive industrial chain. By leveraging the advantages accumulated in the manufacture of green building materials, the Company has extended its industrial chain upward and downward and has expanded toward property development. While focusing on business collaboration and high-end development, the Company has developed toward modern service sectors, including modern property management services and financial services. The Company has also evolved its edge in modern service sectors through "Jingmaotong" (京貿通), the first foreign trade comprehensive services integrated platform in Beijing. The overall advantage stands out with prominent inter-segment synergy. With industrial chain as the core, the advantages of scale, synergy and integration of the Company have witnessed continuous enhancement.

2. Competitive Edge in Technology R&D: The Company enhances its overall strength through technology innovation and continues to increase investment in technology R&D, which gives the Company a sharp edge in the industry in respect of technologies. Technology innovation nurtures new areas for economic growth and strengthens the momentum of industrial development for the Company. The Company obtained approval to establish a science association and an academic expert service centre. The Company's technology centre passed the re-evaluation for state-level enterprise technology centre with outstanding results. BBMG

Academia Sinica (金隅中央研究院) was approved as a post-doctoral scientific research workstation, and enterprises including Academy of Scientific Research (科研總院) were approved as Beijing International Science and Technology Cooperation Base. The Company established the technology innovation system of "1+N+X" with BBMG Academia Sinica, professional R&D institutions as well as the enterprise's technology centre, engineering centre and key laboratory as its core players. The Company also established a mature cooperation mechanism of "industry, academia, research and application" with tertiary institutes and scientific research institutions including Peking University, Beijing University of Technology and University of Science & Technology Beijing. In addition, the Company established and improved the system of dispatching chief technology officer, realising the localisation, regionalisation, and normalisation of technical support service. The Company built technology innovation platforms of various levels including the academic workstation, the municipal-level technology cooperation base and the state-level testing centre.

During the Reporting Period, the Company's technology investment increased by 13.3% year-on-year to more than RMB300 million. In addition, the launch of "Management Measures for R&D Projects" has set the procedural standards for R&D projects and strengthened the refined management of the entire procedure of R&D projects. BBMG established the Dachang Industrial Park Branch of BBMG Academia Sinica and continued to improve the service capability for enterprises in the park. The Company also collaborated with the National Academy of Sciences Service (國家院士服務中心) and acquired more than 20 "patented push" website services (「專利推送」網站服務). The Company's ultra-low energy consumption construction R&D centre has received the approval from the Beijing Municipal Science & Technology Commission, which would provide support to the Company's demonstration of its ultra-low energy consumption technical R&D and construction. Furthermore, the Company unveiled its 23 major R&D projects, some of which were able to achieve initial success. The above measures successfully boosted technology innovation and created new conditions for industrial transformation and upgrades as well as an innovation-driven environment.

3. Competitive Edge in Sustainable Development of Green Operations: Based on the integration of Beijing, Tianjin and Hebei Province and the objective of developing "people-oriented Beijing, high-tech Beijing and green Beijing" (人文北京、科技北京、綠色北京), the Company adapted to the capital's positioning of core functions by putting more efforts in developing circular economy and low-carbon economy and establishing a sound system for environmental management, with an aim to accelerate its pace towards transformation and upgrading and embark on a sustainable path for green development. As one of the nation's first pilot enterprises to develop the circular economy, the Company cooperates with the government to build a garbage pollution-free city by promoting the circular economy model with "resources-products-wastes-renewable resources" (資源－產品－廢棄物－再生能源) as its core procedure. The Company has accumulated a wealth of experience in the synergetic use of cement kiln for the disposal of waste and has developed a comprehensive scientific research system that focuses on hazard-free disposal of urban waste. In addition, the Company independently developed, built and operated a number of environmental protection facilities, including the nation's first demonstration line of using cement kiln for hazard-free disposal

of industrial solid waste, the nation's first production line of applying the synergetic use of cement kiln for the disposal of fly ashes from garbage incineration, and an integrated treatment centre for hazardous waste which is equipped with the nation's most advanced technology and facilities under the most comprehensive system. With the qualification and capacity to dispose of more than 200,000 tonnes of sludge, tens of thousands of tonnes of fly ashes and over 40 types of hazardous waste per year, the Company is in charge of disposal of around 90% of hazardous waste in Beijing. The Company continues to launch new building material products, including ready-mixed mortar, modern unshaped refractories, heat-preservation materials in external walls such as glass wool and rock wool, and high-grade wooden doors and windows. These products are environment-friendly, energy-saving and low-carbon with heat-insulation, heat-preservation and fireproof features, boosting the Company's economic and resource usage efficiencies to the greatest possible extent. As a result, the Company has made significant contributions to urban development, environmental safety and social harmony, and became the first cement enterprise which received the "China's Environment Award" (中華環境獎), a distinctive tribute in the environmental protection field, as well as the only enterprise to win the "Green Ecology Media Award" (綠色生態傳媒大獎) under the Beijing Influence Award (北京影響力). Subsidiaries of the Company including Beijing Cement Plant Co., Ltd., Beijing Liulihe Cement Co., Ltd., Tianjin Zhenxing Cement Co., Ltd. were among the first batch of enterprises receiving the recognition of "Energy Conservation and Emission Reduction Demonstration Enterprises" in the building material sector.

During the Reporting Period, the technological renovation project of treating sludge through co-processing by cement kilns of Tianjin Zhenxing Cement Co., Ltd., Beijing Liulihe Cement Co., Ltd., and Taihang Qianjing Cement Co., Ltd. was put into trial operation, which marked a breakthrough for the transformation and upgrading of business. The Company's 40 manufacturing enterprises implemented environmental-protection standards to strengthen the routine inspection of corporate environmental-protection work to ensure that the Company's cement enterprises in Beijing, Tianjin and Hebei regions could fully meet the new standards for pollutants' emission as set by the Ministry of Environmental Protection. The Company implemented the "double-control" mechanism for its total energy consumption and intensity of energy consumption, and improved its energy measurement foundation with noticeable achievement in corporate energy-conservation.

4. Competitive Edge in Industry-Finance Integration: The establishment and operation of BBMG Finance Co., Ltd. marks a significant step for the Company as its capital operational capacity and capability enter a new stage. The finance company offers a new platform to enhance BBMG's overall capital operational efficiency, diversify financing channels and prevent capital risks, facilitating the organic integration between industry capital and financial capital. By broadly cooperating with banks and financial institutions, the Company explores and adopts a wide variety of financing methods, including non-public offering, corporate bonds and convertible bonds. The multi-level and multi-channel financing approach effectively improves capital operational capacity and management efficiency, and further reduces corporate financing costs.

During the Reporting Period, the Company grasped the good timing in the capital market and launched its non-public offering of A Shares to raise no more than RMB5.0 billion, so as to enhance the security of business operation and liquidity of assets and improve the capability for sustainable development. Through strengthened collaboration with financial institutions, the Company issued private placement bonds of RMB4.5 billion, which effectively improved the structure of debt maturity of the Company. The Company further diversified the investment methods for overall development, expanded the financing channels and further strengthened capital protection.

5. Competitive Edge in Corporate Culture and Branding: The Company established a scientific model for the control and management of corporate culture and improved the management procedures of the same. The Company forms core values of "faith, respect and responsibility" under the principle of "showing personality while obtaining general acceptance among employees, embracing core 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，儘快見到成效), as well as the basic framework for the core essence of BBMG's corporate culture which is composed of human spirits of "three emphasis and one endeavour" (三重一爭), "integration, communion, mutual benefit and prosperity" (共融、共用、共贏、共榮) and "eight specials" (八個特別). The Company established a comprehensive talent-fostering project to form BBMG's talent cultural concept of "adopting people-oriented approach for everyone to develop their talents", and established and improved the mechanism to foster, appoint, evaluate, encourage and exchange talents, thereby strengthening the employees' loyalty, sense of identity and sense of belonging to the enterprise, as well as igniting and maintaining the powerful momentum to effectively drive the development of the enterprise. According to China's 500 Most Valuable Brands issued by the World Brand Lab, BBMG's brand value has exceeded RMB33 billion, and "BBMG" has consecutively received the acclaim of "well-known trademark" in Beijing. The unique culture raises the brand awareness and prestige of BBMG. The continuous growth in corporate culture has created a sound cultural atmosphere and intelligence support for achieving the development vision and objectives of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the Group's consolidated total assets amounted to RMB117,144.2 million, an increase of 1.3% from the beginning of the Reporting Period, which were financed by total liabilities of RMB81,505.0 million, minority interests of RMB4,110.1 million and total equity attributable to the shareholders of the parent company of RMB31,529.1 million. As at 30 June 2015, total shareholders' equity amounted to RMB35,639.2 million, a decrease of 1.7% from the beginning of the Reporting Period. As at 30 June 2015, the Group's net current assets were RMB13,908.4 million, a decrease of RMB1,596.7 million from the beginning of the Reporting Period. Debt ratio (total liabilities to total assets) was 69.6%, an increase of 0.9 percentage point from the beginning of the Reporting Period.

As at 30 June 2015, the Group's cash and bank balances amounted to RMB8,210.7 million, a decrease of RMB2,769.5 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 2015, the Group's interest-bearing bank borrowings amounted to RMB23,468.6 million (as at 31 December 2014: RMB21,728.6 million) and bore fixed interest rates and were all denominated in Renminbi. Of these borrowings, approximately RMB19,704.6 million interest-bearing bank borrowings were due for repayment within one year, an increase of approximately RMB4,755.6 million from the beginning of the Reporting Period. Approximately RMB3,764.0 million interest-bearing bank borrowings were due for repayment after one year, a decrease of approximately RMB3,015.5 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 2015, the Group has no future plans for material investments or capital assets.

USE OF PROCEEDS FROM THE 2013 PROPOSED PLACING

On 5 September 2013, the Board approved the proposed non-public issue and placing of not more than 500,903,224 A Shares (the "**2013 Proposed Placing**") at the subscription price of RMB5.58 per share by the Company to two target subscribers, including BBMG Group and Beijing Jingguofa Equity Investment Fund (Limited Partnership) (the "**Fund**"). Each of BBMG Group and the Fund agreed to subscribe for 448,028,673 A Shares and 52,874,551 A Shares to be issued by the Company at a total consideration of approximately RMB2,500 million and RMB295 million respectively.

Gross proceeds raised from the 2013 Proposed Placing were approximately RMB2,795 million. Based on the estimation of all applicable costs and expenses in association with the 2013 Proposed Placing, the net proceeds from the Proposed Placing (after deducting all applicable costs and expenses in association with the proposed placing) were approximately RMB2,774.7 million, and approximately RMB1,795.2 million of which would be used to fund the investment in the furniture manufacturing project situated at the BBMG Da Chang Industrial Park, Da Chang Hui Autonomous County, Hebei Province, the PRC (the "**Furniture Project**").

Due to the change of business plans and to make better use of existing resources instead of purchasing new facilities, the total investment amount for the Furniture Project is adjusted from RMB2,538.1 million to RMB1,294.1 million, and the Company used RMB900.0 million of the net proceeds from the 2013 Proposed Placing to fund the Furniture Project, with the remaining net proceeds from the 2013 Proposed Placing of approximately RMB895.2 million used for the Group's working capital purposes (the "**Proposed Change of Proceeds**"). Pursuant to the relevant PRC laws, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Proposed Change of Proceeds was proposed at the 2014 annual general meeting held on 27 May 2015 and was considered and approved by the shareholders of the Company (the "**Shareholders**").

RMB million

No.	Project	Total investment for the project according to the original plan	Total investment for the project after the change	Proceeds from the 2013 Proposed Placing to be used according to the original plan	Proposed Change of Proceeds	Actual use of proceeds from the 2013 Proposed Placing up to 30 June 2015
1.	Engineering project of BBMG international logistics park	1,369.4	1,369.4	979.5	979,5	248.0
2.	Furniture Project with an annual production capacity of 0.8 million pieces of furniture	2,538.1	1,294.1	1,795.2	900.0	277.0
3.	Proceeds not yet utilized (amount in the designated account for proceeds from the 2013 Proposed Placing)	–	–	–	–	49.7
4.	Temporary replenishment of working capital *(Note)*	–	–	–	–	2,200.0
5.	Permanent replenishment of working capital	–	–	–	895.2	–
Total		**3,907.5**	**2,663.5**	**2,774.7**	**2,774.7**	**2,774.7**

Note: The term of use for the RMB2,200.0 million from the idle proceeds from the 2013 Proposed Placing used by the Company as temporary replenishment of working capital shall be not more than 12 months from the date the Board considered and approved the use, being 14 April 2015, upon expiry of which the monies shall be returned to the designated account for proceeds from the 2013 Proposed Placing.

COMMITMENTS

Unit: RMB

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Acquisition or construction of fixed assets which is contracted but not completed	**229,604,921.93**	135,966,972.58
Property development contracts which are contracted and being executed or will be executed	**7,016,443,166.10**	7,638,005,516.15
Equity acquisition contracts which are approved but not executed	**–**	245,668,600.00
	7,246,048,088.03	8,019,641,088.73

The significant commitments made by the Group as at 31 December 2014 have been duly performed as previously undertaken.

CONTINGENCIES

Unit: RMB

	As at 30 June 2015 (Unaudited)	As at 31 December 2014 (Audited)
Provision of guarantee to third parties *(Note)*	**6,636,364,643.46**	6,229,968,642.05

Note: 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 2015, the Group had 34,693 employees in total (as at 31 December 2014: 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 PRC laws and regulations. The Group pays salaries to its 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 accounts 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 to the Group or have 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 2015, certain of the Group's bills receivable, inventories, fixed assets and investment properties amounting to approximately RMB7,358.2 million (as at 31 December 2014: RMB8,935.3 million) were pledged to secure loans of the Group, which accounted for approximately 6.3% of the total assets of the Group (as at 31 December 2014: 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 or associates that were required to be disclosed.

PROPOSED ISSUE AND PLACING OF A SHARES AND CONNECTED TRANSACTION (PROPOSED SUBSCRIPTION OF A SHARES BY BBMG GROUP)

On 26 March 2015, the Board resolved and proposed to place A shares of the Company to raise gross proceeds of up to RMB5,000 million to not more than 10 target subscribers (including the BBMG Group) (the "**2015 Proposed Placing**") to finance the resident and commercial property development projects of the Group in Beijing, Nanjing and Tianjin and to supplement the working capital of the Group, details of which have been set out in the announcements of the Company dated 26 March 2015, 1 April 2015, 4 May 2015, 27 May 2015, 11 June 2015, 26 June 2015, 28 July 2015, 12 August 2015 and 20 August 2015 and the circular of the Company dated 30 April 2015. At the annual general meeting for 2014 held on 27 May 2015 and the 2015 first extraordinary general meeting held on 12 August 2015, the relevant resolutions in relation to the 2015 Proposed Placing were duly passed.

The Board believes that the completion of the 2015 Proposed Placing will assist the Group in its development of property development projects and enhance the Group's competitiveness in its core businesses, which would overall improve its business structure, financial conditions, results of operation, profit generation, cash inflows from operating activities, debt ratio and capital structure by laying a healthy, stable and solid development foundation, which are in the best interests of the Company and its Shareholders as a whole. In addition, the subscription by BBMG Group also demonstrates the confidence the BBMG Group places in the Company and its support to the development of the Company's business, which is conducive to enhancing the market image of the Company.

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 2015, the total issued share capital of the Company was 4,784,640,284 shares, of which 3,615,257,849 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	Beneficial owner	2,292,881,099	63.42	47.92
	Beijing State-owned Capital Operation and Management Center *(Note)*	Held by controlled corporation	2,292,881,099	63.92	47.92
	State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality *(Note)*	Held by controlled corporation	2,292,881,099	63.92	47.92
H Shares	BlackRock, Inc.	Interest of corporation controlled by the substantial shareholder	141,097,966	12.07	2.95
H Shares	FMR LLC	Investment manager	118,246,312	10.11	2.47
H Shares	JPMorgan Chase & Co.	Beneficial owner	13,607,025	1.16	0.28
		Investment manager	13,596,500	1.16	0.28
H Shares	Sloane Robinson LLP	Investment manager	70,497,000	6.03	1.47
H Shares	UBS Group AG	Person having a security interest in shares	39,656,944	3.39	0.83
		Interest of corporation controlled by the substantial shareholder	29,125,046	2.49	0.61

Note: BBMG Group is a wholly-owned subsidiary of 北京國有資本經營管理中心 (Beijing State-owned Capital Operation and Management Center) (the "**Center**"). The Center is a collectively-owned enterprise established under the laws of the PRC with registered capital fully paid up by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

Lending pool:

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 *(%)*
H Shares	JPMorgan Chase & Co.	Custodian-corporation/ approved lending agent	43,581,277	3.73	0.91

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 *(%)*
H Shares	BlackRock, Inc.	Interest of corporation controlled by the substantial shareholder	7,548,000	0.65	0.16
H Shares	UBS Group AG	Interest of corporation controlled by the substantial shareholder	2,694,561	0.23	0.06
H Shares	JPMorgan Chase & Co.	Beneficial owner	937,000	0.08	0.02

Save as disclosed above, as at 30 June 2015, 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 EXECUTIVE IN SHARES AND UNDERLYING SHARES

As at 30 June 2015, 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 inside 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 2015, 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 2015. 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 2015.

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 Board is of the opinion that, for the six months ended 30 June 2015, the Company had complied with all the applicable code provisions contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

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 27 August 2015, the Audit Committee had reviewed the unaudited interim consolidated financial statements for the six months ended 30 June 2015. 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 2015 and recommended their adoption by the Board.

As at the date of this announcement, members of the Audit Committee are Mr. Zhang Chengfu (independent non-executive Director), Mr. Yu Kaijun (non-executive Director), Mr. Xu Yongmo (independent non-executive Director), Mr. Yip Wai Ming (independent non-executive Director) and Mr. Wang Guangjin (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/listco). The 2015 interim financial report of the Company for the six months ended 30 June 2015 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 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 2015 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/listco) around the same time as this interim results announcement.

By order of the Board
BBMG Corporation*
Jiang Deyi
Chairman

Beijing, the PRC, 27 August 2015

As at the date of this announcement, the executive directors of the Company are Jiang Deyi, Shi Xijun, Zhang Jianli, Zang Feng, Wang Hongjun and Wang Shizhong; the non-executive director of the Company is Yu Kaijun; and the independent non-executive directors of the Company are Zhang Chengfu, Xu Yongmo, Yip Wai Ming and Wang Guangjin.