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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)

ANNOUNCEMENT ON THE ENTRY INTO OF THE DEBT FOR EQUITY SWAP CO-OPERATION AGREEMENT

This announcement is made by BBMG Corporation* (the “**Company**”) on a voluntary basis. The board of directors of the Company (the “**Board**”) is pleased to announce that, the Company, the Beijing Branch of Industrial and Commercial Bank of China Limited (the “**ICBC Beijing Branch**”) and the Hebei Branch of Industrial and Commercial Bank of China Limited (the “**ICBC Hebei Branch**”) recently entered into the Debt for Equity Swap Co-operation Agreement (the “**Agreement**”).

OTHER CO-OPERATING PARTIES UNDER THE AGREEMENT

- (i) Jidong Development Group Co., Ltd.* (冀東發展集團有限責任公司) (the “**Jidong Development Group**”) (a non-wholly owned subsidiary of the Company);
- (ii) the Beijing Branch of Industrial and Commercial Bank of China Limited; and
- (iii) the Hebei Branch of Industrial and Commercial Bank of China Limited.

MAIN CONTENT OF THE AGREEMENT

- (i) The purpose of conducting the debt for equity swap business by ICBC Beijing Branch and ICBC Hebei Branch is to support the synergic development of the Beijing-Tianjin-Hebei region and enhancement of the production capacity in the cement industry, and to provide financial support for the integration and development of the Company and the Jidong Development Group. It will also optimize the debt structure of the Company and the Jidong Development Group and lessen their debt burdens, which will further enhance the competitiveness and profitability of both the Company and the Jidong Development Group;
- (ii) The intended investment scale in relation to the debt for equity swap business is RMB5 billion, which can be implemented in phases;
- (iii) The debt for equity swap will be carried out by way of, including but not limited to, the establishment of fund(s), equity investment and other methods, and the scope of the debt for equity swap business will include but not limited to the Company, the Jidong Development Group and their subsidiaries;
- (iv) The Company will provide credit enhancement measures for the debt for equity swap business, including but not limited to guarantee and repurchase; and
- (v) The parties will actively seek co-operation in other financial businesses.

The entry into of the Agreement is in line with the strategic development requirements of the Company, which will help to optimize the debt structure of the Company, lessen debt burdens and is beneficial to the enhancement of competitiveness and profitability of the Company, which will in turn promote the healthy and sustainable development of the Company. As key strategic partners, the parties will commence business co-operation in accordance with the requirements of laws and regulations.

The Agreement lays a good foundation for the future co-operation among the parties. The Agreement is only a guiding and foundational document for the parties to commence co-operation on the debt for equity swap. The Agreement, which is a co-operation framework agreement for the debt for equity swap, is not required to be submitted to the board of directors or the general meeting of shareholders for consideration. After the concrete co-operation arrangement is ascertained and legally binding agreements in relation thereto are entered into, the Company will comply with relevant decision-making

and information disclosure procedures as and when appropriate in accordance with all applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the articles of association of the Company and other laws, regulations and other normative documents as well as the provisions and requirements under the systems of the Company.

By order of the Board
BBMG Corporation*
Jiang Deyi
Chairman

Beijing, the People's Republic of China, 20 December 2016

As at the date of this announcement, the executive directors are Jiang Deyi, Wu Dong and Zang Feng; and the independent non-executive directors are Wang Guangjin, Tian Lihui, Tang Jun and Ngai Wai Fung.

** English translation denotes for identification purposes only*