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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountants or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

(1) GENERAL MANDATE TO ISSUE SHARES
(2) PROPOSED ISSUE OF DEBENTURES IN THE PRC
AND
(3) PROPOSED ELECTION AND APPOINTMENT OF DIRECTOR

The notice of the Annual General Meeting dated 30 March 2011 convening the Annual General Meeting of the Company to be held at Conference Room 6, 22nd Floor, Tower D, Global Trade Center, No. 36, North Third Ring East Road, Dongcheng District, Beijing 100013, the People's Republic of China on Tuesday, 24 May 2011 at 9:30 a.m. was despatched to the Shareholders on 30 March 2011.

18 April 2011

* *for identification purpose only*

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DEFINITIONS

In this circular, the following expressions shall have the following meanings, unless the context otherwise requires:

“A Shares”	domestic shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, listed on the Shanghai Stock Exchange
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened at Conference Room 6, 22nd Floor, Tower D, Global Trade Center, No. 36, North Third Ring East Road, Dongcheng District, Beijing 100013, the People’s Republic of China on Tuesday, 24 May 2011 at 9:30 a.m.
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors of the Company
“Company”	北京金隅股份有限公司 (BBMG Corporation*), a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2009) and the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601992)
“Debentures”	the Short-term Financing Bonds or the Medium-term Notes with an aggregate principal amount of not more than RMB2.6 billion proposed to be issued by the Company in the PRC
“Directors”	the directors of the Company
“General Mandate”	the general mandate to allot, issue and otherwise deal with Shares proposed to be granted to the Directors at the Annual General Meeting as described in the special resolution No.7 in the notice of Annual General Meeting
“H Shares”	overseas listed foreign shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	13 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Medium-term Notes”	the medium-term notes issued by non-financial entities with legal personality in the inter-bank bond market in batches
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Short-term Financing Bonds”	the short-term financing bonds issued by entities in the PRC inter-bank bond market pursuant to the Management Rules for Financing Instruments in the Inter-Bank Bond Market for Non-Financial Entities 《銀行間債券市場非金融企業債務融資工具管理辦法》
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

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LETTER FROM THE BOARD



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)

Executive Directors:

Jiang Weiping
Li Changli
Jiang Deyi
Shi Xijun
Wang Hongjun
Deng Guangjun

Independent non-executive Directors:

Hu Zhaoguang
Xu Yongmo
Zhang Chengfu
Yip Wai Ming

Headquarters:

Tower D, Global Trade Center
No. 36, North Third Ring East Road
Dongcheng District, Beijing 100013
the PRC

*Registered office and principal place
of Business in the PRC:*

Tower D, Global Trade Center
No. 36, North Third Ring East Road
Dongcheng District, Beijing 100013
the PRC

*Principal place of business in
Hong Kong:*

Room 904, Wah Ying Cheong Central
Building
158 - 164 Queen's Road Central,
Central, Hong Kong

18 April 2011

To the Shareholders

Dear Sir or Madam,

(1) GENERAL MANDATE TO ISSUE SHARES
(2) PROPOSED ISSUE OF DEBENTURES IN THE PRC
AND
(3) PROPOSED ELECTION AND APPOINTMENT OF DIRECTOR

1. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 30 March 2011 in relation to the proposed issue of Debentures in the PRC, and (ii) the announcement of the Company dated 30 March 2011 in relation to the change of Director.

Reference is also made to the notice of the Annual General Meeting dated 30 March 2011.

* for identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the Annual General Meeting for the approval of, inter alia (i) the grant to the Directors the General Mandate to allot, issue and otherwise deal with Shares, (ii) the proposed issue of the Debentures in the PRC, and (iii) the proposed election and appointment of Director as set out in the notice of the Annual General Meeting.

2. GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of the Company held on 29 June 2010, general mandate was given to the Directors to exercise all powers of the Company to allot, issue and otherwise deal with Shares not exceeding the sum of 20% of the aggregate nominal amount of the issued share capital of the Company on 29 June 2010. This general mandate will expire at the conclusion of the Annual General Meeting.

Special resolution will be proposed at the Annual General Meeting to grant the General Mandate to the Directors to allot, issue and otherwise deal with A Shares and H Shares of the Company up to the limit of 20% of each of the aggregate number of the A Shares and H Shares of the Company, respectively, in issue on the date of passing such resolution in order to ensure flexibility and discretion to the Directors to issue new Shares when it becomes desirable.

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,114,354,625 A Shares and 1,169,382,435 H Shares. Subject to the approval of the grant of the General Mandate and on the basis that no further Shares are issued before the Annual General Meeting, the Directors will have the power to issue up to 622,870,925 A Shares and 233,876,487 H Shares.

The General Mandate shall be effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or other applicable laws and regulations to be held; or (iii) the revocation or variation of the authority given under this resolution by passing of a special resolution of the Company in a general meeting.

Any exercise of the power by the Directors under the General Mandate shall comply with the relevant requirements of the Listing Rules, the Articles of Association and the applicable laws and regulations of the PRC. According to the relevant PRC laws and regulations, the Company will need to seek approval of the Shareholders at a general meeting for any issue of A Shares even if the General Mandate is granted, but will not be required to seek approval of the Shareholders at class meetings of A Shares and H Shares.

For details, please refer to special resolution No.7 of the notice of the Annual General Meeting.

LETTER FROM THE BOARD

3. PROPOSED ISSUE OF DEBENTURES IN THE PRC

(A) Background

In order to meet operating and capital investment needs, adjust the debt structure, increase investors' confidence in the Company's continued viability, and cope with the changes in the domestic macro-economic situations, the Board, after careful consideration, proposed to issue the Debentures, either in the form of the Short-term Financing Bonds or the Medium-term Notes, in the PRC to raise funds for the Company.

According to Article 75 of the Articles of Association, any proposed issue of debentures requires approval of the Shareholders by special resolution. Accordingly, the Board proposed to seek the approval of the Shareholders by way of a special resolution at the Annual General Meeting to approve the proposed issue of the Debentures.

(B) Details of the issue proposal

The principal terms of the issue proposal for the issue of the Debentures are as follows:

Issuer	:	The Company.
Place of issue	:	The PRC.
Size of issue	:	The aggregate principal amount to the Debentures will not be more than RMB2.6 billion. The Debentures will be registered all at once and will be issued in one or multiple tranches according to the actual capital requirements of the Group.
Term of issue	:	Not more than 1 year for the Short-term Financing Bonds; not more than 7 years for the Medium-term Notes.
Interest rate	:	The interest rate will be determined with reference to the prevailing market conditions at the time of issue and upon negotiations with the lead underwriter(s), and subject to the approval of the relevant PRC regulatory authorities.
Target investors	:	All institutional investors participating in the PRC inter-bank market.
Use of proceeds	:	Including but not limited to supplement the working capital and to satisfy other various capital needs of the Group.

LETTER FROM THE BOARD

- Conditions precedent : (i) Approval of the issue of the Debentures by the Shareholders by way of special resolution at a general meeting of the Company; and
- (ii) Acceptance of the Company's application for registration of the Debentures by the National Association of Financial Market Institutional Investors.

(C) Grant of authority to a committee comprising any two executive Directors to deal with all matters relating to the issue of the Debentures

To ensure the proper issue of the Debentures, it is proposed that a special resolution be passed by the Shareholders generally and unconditionally at the Annual General Meeting to authorize a committee comprising any two executive Directors to handle all matters relating to the proposed issue of the Debentures, including but not limited to the following:

- (i) determine details of the issue of the Debentures, and formulate and implement specific plan for the issue of the Debentures, including but not limited to the issue size of not more than RMB2.6 billion, the issue of the Debentures in tranche(s), the amount and period of each tranche, the maturity and method of repayment of the principal amounts and interest, the interest rates of the Debentures or its determination mechanism, the provision of guarantees, the specific arrangements and the use of proceeds based on the actual situation in accordance with the use of proceeds described above and the selection of qualified professional institutions to participate in the issue of the Debentures;
- (ii) enter into all negotiations in relation to the issue of the Debentures, sign and execute all relevant agreements and other documents for and on behalf of the Company and comply with the relevant information disclosure procedures pursuant to the requirements of regulatory authority (if necessary);
- (iii) apply for approvals to the relevant regulatory authorities in respect of the issue of the Debentures and make appropriate adjustments to the specific plan for the issue and terms of the Debentures in accordance with the feedback (if any) from the relevant regulatory authorities; and
- (iv) take all such actions as necessary and in the interest of the Company and to determine and make arrangements for all specific matters relating to the issue of the Debentures.

The authority granted to a committee comprising any two executive Directors to deal with the above matters will remain effective for 12 months commencing from the date on which the resolution is considered and approved at the Annual General Meeting.

LETTER FROM THE BOARD

4. PROPOSED ELECTION AND APPOINTMENT OF DIRECTOR

The Board is pleased to announce that Li Xinhua (“**Mr Li**”) has been proposed by the Board to be appointed as a non-executive Director of the Company. According to the Articles of Association of the Company, the appointment of Mr Li is subject to the Shareholders’ approval at a general meeting.

The following are the particulars of Mr Li, the non-executive Director proposed to be elected at the Annual General Meeting:

Mr Li, aged 46, is currently the president, an executive director and the vice chairman of China National Materials Company Limited (“**Sinoma**”), the shares of which are listed on the main board of the Stock Exchange (Stock Code: 01893). Sinoma is a promoter of the Company and as at the Latest Practicable Date a holder of 5.59% of the issued share capital of the Company. Mr Li has been serving as the president of Sinoma since January 2011. Mr Li served as a vice president of Sinoma from July 2007 to October 2009 and has been serving as an executive director and the vice chairman of Sinoma since December 2009. Mr Li has been the chairman of the board of Sinoma Science & Technology Co., Ltd. (“**Sinoma Science & Technology**”), a subsidiary of Sinoma and an A-share company listed on the Shenzhen Stock Exchange (Stock Code: 002080) since May 2003 and the president of Sinoma Science & Technology since October 2009. Mr Li has over 20 years of experience in the non-metal materials industry. Mr Li joined Beijing FRP Research and Design Institute (北京玻璃鋼研究設計院), a subsidiary of the parent company of Sinoma, and served various key positions, such as vice president and president since August 1985. Mr Li graduated with a bachelor degree in chemistry from Shandong Institute of Building Materials (山東建材學院) in July 1985. He is also a professorate senior engineer.

Mr Li will enter into a service contract as a non-executive director with the Company for a term up to three years after obtaining the Shareholders’ approval at the Annual General Meeting. The term of Mr Li’s office for the Company’s second session of the Board shall commence upon the Shareholders’ approval of the appointment and end upon the third session of the Board being elected by the Shareholders. Mr Li will receive nil remuneration but an annual subsidy of RMB80,000 (before tax) from the Company for being the non-executive director based on the corporate policy on directors’ remuneration as well as his workload and responsibilities.

Mr Li has not or is not deemed to have, any interests in the shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, Mr Li does not have any relationship with any other Directors, senior management of substantial or controlling shareholders of the Company or hold any directorship in any listed public company or other major appointments in the past three years preceding the date of this circular. Mr Li does not hold any other position in the Company and/or its subsidiaries.

LETTER FROM THE BOARD

There are no other matters that need to be brought to the attention of the shareholders of the Company in connection with Mr Li's appointment. The Company also confirms that there is no information relating to Mr Li's appointment that is required to be disclosed pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules.

5. ANNUAL GENERAL MEETING

Please refer to the notice of the Annual General Meeting despatched to the Shareholders on 30 March 2011 for details of other resolutions to be proposed at the Annual General Meeting, closure of register of members, eligibility for attending the Annual General Meeting, registration procedures for attending the Annual General Meeting, appointment of proxy and other relevant matters.

The form of proxy for use at the Annual General Meeting was despatched to you together with the notice of the AGM on 30 March 2011. Whether or not you intend to attend the meeting, please complete the form of proxy in accordance with the instructions printed thereon and return them to the office of the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares as soon as possible and in any event not less than 24 hours before the time for holding of the meeting or appointed time for voting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

A reply slip for the purpose of informing the Company whether you will be attending (in person or in proxy) the Annual General Meeting was also despatched to you together with the notice of the AGM on 30 March 2011. Shareholders who intend to attend the Annual General Meeting are requested to complete and send the reply slip to the Company not later than 20 days before the date of the meeting in accordance with Article 57 of the Articles of Association (i.e. no later than 3 May 2011 (Tuesday)).

6. POLL AT GENERAL MEETING

In according with the requirement of Rule 13.39(4) of the Listing Rules, all resolutions to be considered, and if thought fit, to be passed at the Annual General Meeting, shall be passed by way of poll.

7. RECOMMENDATIONS

The Board believes that the resolutions in respect of (i) the grant of the General Mandate to the Directors, (ii) the proposed issue of the Debentures in the PRC, and (iii) the proposed election and appointment of Director, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all the Shareholders should vote in favour of the aforementioned resolutions as set out in the notice of the Annual General Meeting at the Annual General Meeting.

By Order of the Board
BBMG Corporation*
Jiang Weiping
Chairman