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北京金隅集團股份有限公司

**BBMG Corporation\***

*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 2009)

## **ANNOUNCEMENT**

### **APPROVAL OF QUOTATION OF SUBSIDIARY ON THE NATIONAL EQUITIES EXCHANGE AND QUOTATIONS**

Reference is made to the announcements of BBMG Corporation\* (the **“Company”**) dated 30 September 2022 and 10 October 2022 (the **“Announcements”**) in relation to the proposed separate quotation (the **“Proposed Spin-off”**) of Beijing Building Materials Testing Academy Co., Ltd.\* (北京建築材料檢驗研究院股份有限公司) (**“Beijing Testing”**), a subsidiary of the Company, on the National Equities Exchange and Quotations (the **“NEEQ”**). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcements.

Beijing Testing acts as a provider of inspection, testing and certification services mainly involving the testing of building materials and construction projects, industrial product certification and related services, and environmental monitoring and extended services (the **“BBMT Spin-off Business”**). It is intended that upon completion of the proposed Spin-off, (i) Beijing Testing and its subsidiaries (collectively, the **“BBMT Group”**) will engage in the BBMT Spin-off Business; and (ii) the Company and its subsidiaries (excluding the BBMT Group) will continue the existing businesses other than the BBMT Spin-off Business (the **“Remaining Businesses”**).

### **APPROVAL OF QUOTATION OF BEIJING TESTING ON NEEQ**

The Company has submitted an application in relation to the Proposed Spin-off to The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on the Stock Exchange (the **“Listing Rules”**). The

Company is pleased to announce that the Listing Committee of the Stock Exchange confirmed that the Company may proceed with the Proposed Spin-off.

On 28 December 2022, Beijing Testing obtained the Letter on Approval of Quotation of the Shares of Beijing Testing on NEEQ (《關於同意北京建築材料檢驗研究院股份有限公司股票在全國中小企業股份轉讓系統掛牌的函》) issued by NEEQ Co., Ltd., which gave consent to the quotation of the shares of Beijing Testing on the NEEQ.

### **WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15 TO THE LISTING RULES**

Under paragraph 3(f) of Practice Note 15 of the Listing Rules, listed issuers carrying out spin-offs are expected to provide existing shareholders with an assured entitlement to shares in the spun-off entity, either by way of distribution in specie of existing shares or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by the legal adviser of the Company as to the laws of the PRC there are legal restrictions in providing the Company's shareholders with assured entitlements to the spun-off entity's shares under the PRC laws and regulation as summarised below.

Qualified investors seeking to invest in the shares of companies quoted on the NEEQ shall fulfil the following requirements:

- (a) institutions having a paid-up registered capital or share capital of RMB2 million or above or partnerships having a paid-up registered capital of RMB2 million or above;
- (b) according to relevant PRC laws and regulations such as The Measures for the Suitability Management of Securities and Futures Investors, wealth management products issued to investors by the relevant financial institutions, including but not limited to the asset management products of securities companies, products of fund management companies and their subsidiaries, asset management products of futures companies, banks' wealth management products, insurance products, trust products and privately offered funds granted recordation by industry associations, social security funds, enterprise annuity and other pension funds, charity funds and other social welfare funds, qualified foreign institutional investors and Renminbi qualified foreign institutional investors; or
- (c) natural person investors:
  - (i) having a daily average of more than RMB2 million worth of assets in securities and capital accounts (excluding the capital and securities financing by the investor through securities margin trading) 10 trading days before the application for permission; or

- (ii) having more than two years of experience in securities, funds and futures investment, or two years of work experience in design of financial products, investment, risk management and relevant areas, or experience serving as senior management of relevant financial institutions.

Upon completion of the Proposed Spin-off, foreign natural persons, legal persons and institutions (including residents of the Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”), the Macau Special Administrative Region of the PRC (“**Macau**”) and Taiwan), who are proposing to acquire the shares of Beijing Testing through public trading or private placement, are required to satisfy the requirements of qualified investors and the conditions for opening A shares securities accounts.

To qualify for opening such securities accounts, such foreign investors shall be, among others,

- (i) residents of Hong Kong, Macau or Taiwan who work and live in Mainland China;
- (ii) foreign natural persons working in the PRC and the securities regulatory institution of his/her home country (region) having established a regulatory cooperation mechanism with the China Securities Regulatory Commission; or
- (iii) qualified foreign investors (qualified foreign institutional investors and Renminbi qualified foreign institutional investors).

Save for the circumstances above, upon completion of the Proposed Spin-off, foreign natural persons, natural persons in Hong Kong, Macau and Taiwan, residents of the PRC holding a PRC passport who have obtained permanent residence visa of foreign countries or regions), foreign institutions, institutions in Hong Kong, Macau and Taiwan, are not qualified for the opening of A shares securities accounts and hence are not allowed to directly acquire the issued shares of or the shares to be issued by the Beijing Testing.

The Company has reviewed its list of shareholders and noted that most of the H shares of the Company are held by HKSCC Nominees Limited where the beneficial owners of the H shares of the Company are unknown to the Company and most of the remaining shareholders of the Company are non-PRC residents, it would be practically difficult, unduly cumbersome and not feasible for the Company to ascertain whether each and every of its individual shareholders or institutional investors meets the PRC legal requirements as set out above.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the applicable requirements in relation to the assured entitlement under Paragraph 3(f) of Practice Note 15 of the Listing Rules (the “**Waiver**”).

Having considered that (i) due to legal restrictions of the current PRC laws and regulations, it is not feasible and unduly cumbersome for the Company to provide its shareholders with an assured entitlement of the shares in the Beijing Testing and the Beijing Testing and the Company should comply with the requirements under the PRC laws and regulations; (ii) the Company will continue to be the beneficial owner of the equity interest held by it in Beijing Testing after the Proposed Spin-off and to benefit from any enhanced value of the BBMT Group following the completion of the Proposed Spin-off. Shareholders of the Company will continue to enjoy the benefits from the future development and growth of the BBMT Spin-off Business; (iii) the Proposed Spin-off is not expected to be a major transaction for the Company which would require shareholders' approval under the Listing Rules; (iv) the Proposed Spin-off will create two groups of companies and could unlock the value of the BBMT Spin-off Business, which in turn is beneficial to the shareholders of the Company; (v) the Proposed Spin-off will enhance the corporate profile and reputation of Beijing Testing, thereby increasing its ability to attract investors and strategic partners and offering greater clarity for credit profiling of Beijing Testing by financial institutions that wish to extend credit or financing to Beijing Testing; and (vi) the Proposed Spin-off will facilitate the establishment of separate fund raising platforms for the businesses of the two groups to fund the growth and expansion of the BBMT Spin-off Business and the Remaining Businesses, the board of directors of the Company is of the view that the Proposed Spin-off and the Waiver are fair and reasonable and in the interests of the Company and its shareholders as a whole.

By order of the Board  
**BBMG Corporation\***  
**Jiang Yingwu**  
*Executive Director*

Beijing, the PRC, 30 December 2022

*As at the date of this announcement, the executive directors of the Company are Jiang Yingwu, Wu Dong and Zheng Baojin; the non-executive directors of the Company are Wang Zhaojia and Gu Tiemin; and the independent non-executive directors of the Company are Yu Fei, Liu Taigang, Li Xiaohui, Hong Yongmiao and Tam Kin Fong.*

*\* English translation denotes for identification purposes only*