

**BBMG CORPORATION:
COME TO THE PARTY, PLEASE !**

Investors of stocks and shares of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) have seen it all before and, without question, they will see it all again, somewhere down the red-lined road.

And, now, we have the flotation of BBMG Corporation () (Code: 2009, Main Board, The Stock Exchange of Hongkong Ltd).

This Company pitched its **Initial Public Offering (IPO)** in the hope of bagging in excess of \$HK5 billion in a Global Offering of 933,333,000, one-renminbi Shares at an Offer Price of about \$5.78 per Share, being the midway point between \$HK5.18 per Share (the minimum, acceptable Offer Price) and \$HK6.38 per Share.

BBMG Corporation is not just a PRC company, but a huge conglomerate with very strong, PRC political overtones.

One might say that, for those involved in this conglomerate, it is a Chinese Communist institution.

The Company has in excess of 100 subsidiaries and claims the title of being '*the largest building materials manufacturer in the PRC and the largest in the Beijing-Bohai Gulf Region.*'

The Company, also, makes the claim of being a leading property developer in Beijing and has substantial '*large-scale property*' investments.

TARGET () does not doubt one word of that which is written in the Global Offering Prospectus.

This, **TARGET** Subscribers must appreciate from the outset.

However, this medium does question the bona fides and expertise of a number – if not all – of the Executive Directors who are managing this conglomerate.

More about this matter, later on in this analysis.

The Flotation

HKSAR investors were Offered 93,334,000 Shares at a maximum Offer Price of \$HK6.38 per Share.

A total of 839,999,000 Shares were reserved for International Investors.

Trading in the shares of BBMG Corporation is scheduled to commence next Wednesday, July 29, 2009.

The Global Offering Prospectus, which could well be described as a tome, states, at Page 404, that the Company wants to raise about \$HK5,033,000,000, that amount of money, being earmarked for the following:

1. About \$HK3,775,000,000 to be used to finance the Company's expansion plans in the following

manner:

- a. About \$HK1,711,000,000 '*to acquire small-scale cement plants in Beijing*';
 - b. About \$HK151,000,000 '*to construct residual heat power generators ...*';
 - c. About \$HK352 million '*to build modern building materials production lines...*;' and,
 - d. About \$HK1,560,000,000 '*to develop economically affordable housing projects ...*';
2. About \$HK755,000,000 to retire some bank debts; and,
 3. About \$HK503,000,000 to be tipped into the Working Capital Account.

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