



CNBM

China National Building Material Company Limited*

中 國 建 材 股 份 有 限 公 司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3323)

Overseas Regulatory Announcement

This is not the announcement of the 2008 first quarterly report of China National Building Material Company Limited (“CNBM”). This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

This announcement is the 2008 first quarterly report of Beijing New Building Material Company Limited (“the Company” or “BNBM”). The report of BNBM and related information in Chinese were disclosed to the public of the People’s Republic of China (“the PRC”) on 24 April 2008 in accordance with the Rules Governing the Listing on Shenzhen Stock Exchange, the English translation of which is extracted and prepared by CNBM for information only.

BNBM, a company listed on Shenzhen Stock Exchange and incorporated in accordance with the laws of the PRC, is a subsidiary 52.40% owned by CNBM. The announcement of BNBM was published at the website designated by Shenzhen Stock Exchange on 24 April 2008. The unaudited 2008 first quarterly results of BNBM have been prepared in accordance with the PRC GAAP.

Beijing, the PRC, 23 April 2008

Beijing New Building Material Company Limited

2008 First Quarterly Report

1. IMPORTANT NOTICE

- 1.1 The board of directors (“the Board”), the supervisory committee, all directors, supervisors and the senior management of the Company confirm that there are no misrepresentation or misleading statements contained in or material omissions from this report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report.
- 1.2 None of the directors, supervisors or senior management of the Company has made any statement that he could not confirm or otherwise has expressed any objection to the truthfulness, accuracy and completeness of the report.
- 1.3 All directors attended the Board meeting.
- 1.4 The first quarterly financial statements of the Company have not been audited by accountants.
- 1.5 Mr. Cao Jianglin (Chairman of the Company) and Ms. Yang Yanjun (Chief Accountant and Financial Manager) have declared that they are responsible for the truthfulness and completeness of the financial statements in the quarterly report.

2. BASIC INFORMATION OF THE COMPANY

2.1 Major accounting data and financial indicators

Unit: RMB

	At the end of the reporting period	At the end of the reporting period last year	Increase / decrease (%)
Total assets	4,968,057,486.17	5,336,682,977.86	-6.91%
Owner's equity (or shareholders' equity)	1,819,840,539.33	1,740,678,559.96	4.55%
Net asset per share	3.164	3.026	4.55%

	During the reporting period	During the same period last year	Increase / decrease (%)
Net profit	103,236,423.61	35,186,053.96	193.40%
Net cash flows from operating activities	-111,919,337.20	-164,693,510.55	32.04%
Net cash flows from operating activities per share	-0.195	-0.286	32.04%
Basic earnings per share	0.179	0.061	193.40%
Diluted earnings per share	0.179	0.061	193.40%
Return on net assets	5.67%	2.17%	3.50%
Return on net assets after extraordinary items	0.35%	2.12%	-1.77%

Extraordinary items

Unit: RMB

Extraordinary items	Amount from the beginning of the year to the end of the reporting period
Gain and loss arising from disposal of non-current assets	-30,820.64
Government subsidies recognized as gain and loss	3,660,000.00
Gain on transfer of long-term equity investment	116,875,858.67
Other non-operating income and expenses excluding the above items	82,178.14
Effect of income tax and minority interests	-23,735,121.49
Total	96,852,094.68

2.2 Total number of shareholders and particulars of the top 10 holders of shares subject to no trading moratorium at the end of the reporting period

Unit: shares

Total number of shareholders	105,658
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Particulars of the top 10 holders of shares subject to no trading moratorium

Name of shareholders	Number of shares not subject to trading moratorium held	Type of share
China National Building Material Company Limited	28,757,500	Ordinary shares denominated in RMB
China Minsheng Banking Corporation Limited- 長信增利動態策略股票型證券投資基金	2,991,739	Ordinary shares denominated in RMB
Bank of China-Jiashi Hushen 300 Index Securities Investment Fund	1,836,192	Ordinary shares denominated in RMB
Jin Hailian	1,106,600	Ordinary shares denominated in RMB
China Construction Bank-Bosera Yufu Securities Investment Fund	1,010,721	Ordinary shares denominated in RMB
He Xiaoling	700,000	Ordinary shares denominated in RMB
Dai Wenwei	659,963	Ordinary shares denominated in RMB
Zhu Quxiu	650,000	Ordinary shares denominated in RMB
Tong Sufen	480,240	Ordinary shares denominated in RMB
Zhang Mingyu	461,300	Ordinary shares denominated in RMB

3. SIGNIFICANT EVENTS

3.1 Situations of and reasons for significant changes in key financial statement items and financial indicators of the Company

Applicable Not applicable

I. Reasons for significant change in items of balance sheet

1. Cash and bank balance decreased by RMB270,711,386.01 or 48.88% from the beginning of the year. This is mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
2. Held-for-trading financial assets decreased by RMB97,239,550.95 or 100.00% from the beginning of the year. This is attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.

3. Dividends receivable increased by RMB145,616,000.00 or 1571.85% from the beginning of the year. This is attributable to the fact that the dividends receivable from CNBM Investment Company Limited, a former subsidiary of the Company, cannot be eliminated as it ceased to be included into the Company's consolidated financial statements for the reporting period due to the disposal of 80% equity interest in it.
4. Other receivables increased by RMB249,660,903.75 or 113.89% from the beginning of the year. This is mainly attributable to the outstanding consideration for the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company. (As at the date hereof, the consideration has been fully settled)
5. Other current assets decreased by RMB24,999.99 or 50.00% from the beginning of the year. This is attributable to the amortization of lease prepayments by the Company's subsidiaries.
6. Bills payable decreased by RMB106,971,430.15 or 48.70% from the beginning of the year. This is mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
7. Non-current liabilities due within one year increased by RMB44,450,000.00 or 115.30% from the beginning of the year. This is mainly attributable to the increased long-term borrowings due within 1 year of the Company.
8. Deferred tax liabilities decreased by RMB3,024,304.55 or 45.06% from the beginning of the year. This is attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
9. Exchange reserve decreased by RMB67,190.70 or 100.00% from the beginning of the year. This is attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.

II. Reasons for significant change in items of income statement

1. Finance costs increased by RMB5,689,621.87 or 37.56% from the same period last year. This is mainly attributable to the interest rate hike for borrowings and the transfer of construction in progress to fixed rates.
2. Investment income increased by RMB106,733,828.60 or 975.12% from the same period last year. This is mainly attributable to the increased income from equity disposal as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
3. Non-operating income increased by RMB1,436,624.93 or 59.62% from the same period last year. This is mainly attributable to the increased government grants received by the Company and its subsidiaries.
4. Non-operating expense decreased by RMB236,176.78 or 63.66% from the same period last year. This is mainly attributable to the decreased loss from disposal of non-current assets of the Company.
5. Income tax expense increased by RMB18,736,522.87 or 425.76% from the same period last year. This is mainly attributable to the increased income tax payable on the income from equity disposal as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.

III. Reasons for significant change in items of cash flow statement

1. Net cash flow from operating activities increased by RMB52,774,173.35 or 32.04% from the same period last year. This is mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
2. Net cash flow from investment activities decreased by RMB224,708,513.03 or 236.19% from the same period last year. This is mainly attributable to the increased cash paid to acquire fixed assets, intangible assets and other long-term assets as a result of the increased construction in progress of the Company and its subsidiaries.
3. Cash flow from financing activities increased by RMB97,483,485.93 or 153.34% from the same period last year. This is mainly attributable to the increased borrowings of the Company.

3.2 Analysis and explanation of the development of significant events and their effects and the solutions thereto

Applicable Not applicable

3.3 Fulfillment of undertakings made by the Company, shareholders and ultimate controlling shareholder

Applicable Not applicable

3.4 Warning on any potential loss in accumulated net profit for the period from the year beginning to the end of next reporting period or any material change from the corresponding period last year and the reason

Applicable Not applicable

3.5 Other significant events needed to be explained

3.5.1 Securities investment

Applicable Not applicable

3.5.2 Shareholding in other listed companies

Applicable Not applicable

3.5.3 Communication with investors and site visits during the reporting period

Time of reception	Place of reception	Method of reception	Visitors	Issues discussed and information provided
2 January to 31 March 2008	Headquarters of the Company	Tele-conference	Individual investors	Development strategies and production and operation condition of the Company
22 February 2008	Headquarters of the Company	Site visit	Investment manager of Hanlun Investment Consultant (Shanghai) Company Limited (瀚倫投資顧問(上海) 有限公司)	Development strategies, production and operation condition of the Company, public information such as annual reports provided

4 APPENDICES

4.1 Balance sheet

Prepared by: Beijing New Building Material Company Limited 31 March 2008

Unit: RMB

Items	At the end of the period		At the beginning of the period	
	Group	Company	Group	Company
Current assets:				
Cash and bank balance	283,099,065.16	101,642,956.14	553,810,451.17	117,028,571.38
Balances with clearing companies				
Placements with banks and other financial institution				
Held for trading financial assets			97,239,550.95	
Bills receivable	12,517,887.05	11,283,887.05	11,585,252.16	6,758,019.12
Accounts receivable	443,591,284.29	207,204,342.13	390,198,802.16	128,522,055.19
Prepayments	268,463,499.67	56,396,588.57	351,380,222.10	54,682,711.78
Premiums receivable				
Accounts receivable from reinsurance treaty				
Deposits receivable from reinsurance treaty				
Interests receivable				
Dividends receivable	154,880,000.00	192,510,125.00	9,264,000.00	140,510,125.00
Other receivable	468,875,061.87	607,980,063.44	219,214,158.12	309,726,936.53
Proceeds from financial assets purchased under agreements to resell				
Inventories	516,519,360.04	225,677,425.28	504,933,962.34	222,594,760.14
Non-current assets due within one year				
Other current assets	25,000.03		50,000.02	
Total current assets	2,147,971,158.11	1,402,695,387.61	2,137,676,399.02	979,823,179.14

Non-current assets:

Loans and advances granted				
Available-for-sale financial assets				
Held-to-maturity investments				
Long-term receivables				
Long-term equity investments	216,886,332.74	892,897,612.56	282,788,770.28	1,065,440,080.76
Investment Properties			272,844,430.47	
Fixed assets	1,777,683,202.45	1,001,710,252.60	1,835,441,400.87	1,018,576,319.53
Construction in progress	517,190,395.01	62,241,908.04	472,816,557.94	57,986,107.62
Constructive goods and materials				
Liquidation of fixed assets				
Biological assets for production				
Fuel assets				
Intangible Assets	238,436,850.92	151,576,453.96	262,262,199.99	139,808,585.00
Development expenses				
Goodwill	23,628,472.28		23,628,472.28	
Long-term deferred expenditures	6,072,755.46	1,112,237.70	6,112,364.93	1,271,128.80
Deferred tax assets	13,740,227.39	4,870,467.72	15,828,343.52	4,870,467.72
Other non-current assets	26,448,091.81		27,284,038.56	
Total non-current assets	2,820,086,328.06	2,114,408,932.58	3,199,006,578.84	2,287,952,689.43
Total assets	4,968,057,486.17	3,517,104,320.19	5,336,682,977.86	3,267,775,868.57

Current liabilities:				
Short-term borrowings	1,499,260,000.00	849,060,000.00	1,536,810,035.60	822,060,000.00
Borrowings from central bank				
Deposit taking and deposit in inter-bank market				
Due from banks and other financial institutions				
Held-for-trading financial liabilities				
Notes payable	112,680,015.01	110,960,015.01	219,651,445.16	90,422,845.16
Accounts payable	255,845,817.60	82,493,926.22	330,275,107.51	87,766,847.60
Advances from customers	115,597,833.19	17,593,728.00	105,971,861.52	12,186,760.93
Disposal of repurchased financial assets				
Handling charges and commissions payable				
Staff remuneration payable	30,142,064.18	8,534,186.82	41,992,757.02	17,826,193.33
Taxes payable	31,007,249.17	34,446,662.22	37,241,671.23	13,065,576.55
Interests payable	1,239,527.75	264,033.00	1,317,971.16	260,889.75
Other payables	104,783,111.01	169,391,075.90	110,383,338.69	97,871,610.42
Payable to reinsurers				
Deposits for insurance contracts				
Customer deposits for trading in securities				
Customer deposits for underwriting				
Non-current liabilities due within one year	83,000,000.00	83,000,000.00	38,550,000.00	23,000,000.00
Other current liabilities	7,170,000.00		9,727,500.00	
Total current liabilities	2,240,725,617.91	1,355,743,627.17	2,431,921,687.89	1,164,460,723.74

Non-current liabilities:				
Long-term loans	595,000,000.00	464,000,000.00	799,500,000.00	524,000,000.00
Debentures payable				
Long-term accounts payable	23,729,869.82		23,894,735.94	
Special payable				
Accrued liabilities				
Deferred tax liabilities	3,687,644.02		6,711,948.57	
Other non-current liabilities				
Total non-current liabilities	622,417,513.84	464,000,000.00	830,106,684.51	524,000,000.00
Total liabilities	2,863,143,131.75	1,819,743,627.17	3,262,028,372.40	1,688,460,723.74
Owners' interest (Shareholders' equity):				
Paid-up capital (or share capital)	575,150,000.00	575,150,000.00	575,150,000.00	575,150,000.00
Capital reserve	489,572,828.32	488,893,313.47	489,572,828.32	488,893,313.47
Less: Treasury stock				
Surplus reserve	269,534,720.01	233,301,396.21	293,541,973.55	233,301,396.21
General risk provision				
Retained earnings	485,582,991.00	400,015,983.34	382,346,567.39	281,970,435.15
Exchange reserve			67,190.70	
Total shareholders' equity attributable to the Company	1,819,840,539.33	1,697,360,693.02	1,740,678,559.96	1,579,315,144.83
Minority interests	285,073,815.09		333,976,045.50	
Total Shareholders' equity	2,104,914,354.42	1,697,360,693.02	2,074,654,605.46	1,579,315,144.83
Total of liabilities and owners' interest (shareholders' equity)	4,968,057,486.17	3,517,104,320.19	5,336,682,977.86	3,267,775,868.57

4.2 Income Statement

Prepared by: Beijing New Building Material Company Limited
January — March 2008

Unit: RMB

Items	During the period		During the same period last year	
	Group	Company	Group	Company
I. Total operating revenue	436,576,609.08	191,712,479.13	533,766,356.76	151,926,435.05
Including: Operating revenue	436,576,609.08	191,712,479.13	533,766,356.76	151,926,435.05
Interest Income				
Premiums earned				
Handling charges and commission income				
II. Total cost of operations	427,472,908.77	191,847,254.81	516,384,293.23	146,302,304.69
Including: Operating cost	356,115,807.36	160,587,260.98	440,310,911.55	125,751,977.77
Interest expenses				
Handling charges and commission expenses				
Surrender payment				
Net claim expenses				
Net provision for insurance deposits				
Policyholder dividend expenses				
Reinsurance costs				
Business tax and surcharges	853,028.58	420,132.06	1,165,395.38	267,225.45
Selling expenses	24,600,995.74	9,808,308.49	27,330,296.10	8,221,414.36
Administrative expenses	25,742,259.40	10,504,746.98	32,431,396.87	9,114,195.83
Finance costs	20,835,915.20	10,526,806.30	15,146,293.33	2,947,491.28
Loss on assets impairment	-675,097.51			

Add:	Gains on fair value changes (loss stated with “-”)			20,550,000.00	
	Investment income (loss stated with “-”)	117,679,553.41	140,577,531.80	10,945,724.81	
	Including:				
	Investment income from associated companies and jointly controlled entities	803,694.74		10,940,911.05	
	Foreign currency exchange gains (loss stated with “-”)				
III.	Operating profit (loss stated with “-”)	126,783,253.72	140,442,756.12	48,877,788.34	5,624,130.36
Add:	Non-operating income	3,846,162.16	398,104.01	2,409,537.23	13,401.20
Less:	Non-operating expense	134,804.66		370,981.44	224,264.55
	Including: Loss from disposal of non-current assets	118,304.65		324,274.47	203,117.38
IV.	Total profit (loss stated with “-”)	130,494,611.22	140,840,860.13	50,916,344.13	5,413,267.01
Less:	Income tax expense	23,137,219.71	22,795,311.94	4,400,696.84	1,083,016.60
V.	Net profit (loss stated with “-”)	107,357,391.51	118,045,548.19	46,515,647.29	4,330,250.41
	Net profit attributable to the Company	103,236,423.61	118,045,548.19	35,186,053.96	4,330,250.41
	Minority interests	4,120,967.90		11,329,593.33	
VI.	Earnings per share:				
(1)	Basic earnings per share	0.179	0.205	0.061	0.008
(2)	Diluted earnings per share	0.179	0.205	0.061	0.008

4.3 Cash Flow Statements

Prepared by: Beijing New Building Material Company Limited
January — March 2008

Unit: RMB

Item	During the period		During the same period last year	
	Group	Company	Group	Company
I. Net cash flow from operating activities:				
Cash received from product sales and rendering of services	329,898,701.54	154,768,352.52	550,831,176.99	124,339,953.93
Net increase in deposits from customers and placements from banks and other financial institutions				
Net increase in borrowings from central banks				
Net increase in placements from other financial institutions				
Cash received from premiums of original insurance contracts				
Net cash received from reinsurance business				
Net increase in deposits from policyholders and investments				
Net increase in disposal of held-for-trading financial assets				
Cash received from interest, handling charges and commissions				
Net increase in capital due to banks and other financial institutions				
Net increase in repurchases				
Refund of tax and levies received	21,588.38	6,186.21	10,236,875.84	
Other cash received relating to operating activities	19,543,564.58	51,717,273.65	138,278,877.45	148,985,241.74
Sub-total of cash inflows from operating activities	349,463,854.50	206,491,812.38	699,346,930.28	273,325,195.67

Cash paid for purchase of goods and receipt of services	344,589,637.31	162,483,352.54	504,368,051.07	158,755,678.00
Net increase in loans and advances to customers				
Net increase in placements with central bank and other financial institutions				
Cash paid for claims on original insurance contracts				
Cash payment for interest, handling charges and commissions				
Cash payment for policyholder dividend				
Cash paid to and on behalf of employees	55,398,754.17	34,067,549.87	57,318,729.66	28,885,682.19
Taxes and surcharges paid	17,166,900.35	9,487,607.08	11,505,228.98	4,215,360.47
Other cash paid relating to operating activities	44,227,899.87	13,784,692.01	290,848,431.12	8,711,440.01
Sub-total of cash outflows from operating activities	461,383,191.70	219,823,201.50	864,040,440.83	200,568,160.67
Net cash flow from operating activities	-111,919,337.20	-13,331,389.12	-164,693,510.55	72,757,035.00

II. Cash flows from investment activities:

Cash received from disposal of investments				
Cash received from returns on investments				
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	138,500.00	123,500.00	20,115.00	20,115.00
Net cash received from disposal of subsidiaries and other operated entities				
Other cash received relating to investment activities				
Sub-total of cash inflows from investment activities	138,500.00	123,500.00	20,115.00	20,115.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	155,001,523.23	11,438,178.73	70,652,759.63	8,935,869.37
Cash paid to acquire investment			24,506,547.00	48,506,547.00
Net increase in pledged loans				
Cash paid for acquisition of subsidiaries and other operated entities				

Other cash paid relating to investment activities	164,984,681.43			
Sub-total of cash outflows from investment activities	319,986,204.66	11,438,178.73	95,159,306.63	57,442,416.37
Net cash flows from investment activities	-319,847,704.66	-11,314,678.73	-95,139,191.63	-57,422,301.37
III. Cash flows from financing activities:				
Cash received to introduce investments	4,450,000.00		3,600,000.00	
Including: Cash received from minority shareholders by subsidiaries	4,450,000.00		3,600,000.00	
Cash received from borrowings	554,820,000.00	264,000,000.00	508,000,000.00	207,000,000.00
Cash received from issue of debentures				
Other cash received relating to financing activities			19,132.34	
Sub-total of cash inflows from financing activities	559,270,000.00	264,000,000.00	511,619,132.34	207,000,000.00
Cash repayments of amounts borrowed	367,550,000.00	237,000,000.00	424,054,275.52	225,000,000.00
Cash payments for distribution of dividends or profits or interest expenses	30,664,402.63	17,739,547.39	23,992,745.38	11,718,344.52
Including: Dividend or profit paid by subsidiary to minority shareholders	2,393,551.93			
Other cash paid relating to financing activities				
Sub-total of cash outflows from financing activities	398,214,402.63	254,739,547.39	448,047,020.90	236,718,344.52
Net cash flows from financing activities	161,055,597.37	9,260,452.61	63,572,111.44	-29,718,344.52

IV. Effect on cash due to change in				
foreign currency exchange rate	58.48		865.39	69.03
V. Net increase in cash and				
cash equivalents	-270,711,386.01	-15,385,615.24	-196,259,725.35	-14,383,541.86
Add: Balance of cash and cash				
equivalents at the year				
beginning	553,810,451.17	117,028,571.38	679,855,107.96	49,124,219.73
VI. Balance of cash and cash equivalents				
at the end of the period	283,099,065.16	101,642,956.14	483,595,382.61	34,740,677.87

4.4 Auditor's Report

Auditor's opinion: unaudited

By Order of the Board
Beijing New Building Material Company Limited
Cao Jianglin
Chairman

23 April 2008

As at the date of this announcement, the executive directors of CNBM are Mr. Song Zhiping, Mr. Cao Jianglin, Mr. Li Yimin and Mr. Peng Shou, the non-executive directors of the Company are Ms. Cui Lijun, Mr. Huang Anzhong and Mr. Zuo Fenggao, and the independent non-executive directors of the Company are Mr. Zhang Renwei, Mr. Zhou Daojiong, Mr. Chi Haibin and Mr. Lau Ko Yuen, Tom.

* *For identification only*