

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SINOma

China National Materials
Company Limited

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 01893)

ANNOUNCEMENT

Pursuant to the rules of the National Association of Financial Market Institutional Investors, China National Materials Company Limited (the “**Company**”) is required to publish the quarterly financial information of the Company and its subsidiaries (the “**Group**”) which consists of consolidated balance sheet, consolidated income statement and consolidated statement of cash flows of the Group and to publish the quarterly financial information of the Company which consists of balance sheet, income statement and cash flow statement of the Company.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company announces the unaudited financial information of the Group and of the Company for the three months ended 31 March 2017 prepared in accordance with the PRC Accounting Standards for Business Enterprises.

CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP FOR THE THREE MONTHS ENDED 31 MARCH 2017

Consolidated Balance Sheet of the Group as at 31 March 2017

	<i>Unit: RMB</i>	
Item	As at 31 March 2017	As at 1 January 2017
Current assets:		
Monetary funds	17,671,265,287.20	17,938,399,177.44
Settlement reserve fund	–	–
Lending funds	–	–
Financial assets at fair value through current profit or loss	5,826,399.77	5,302,903.32
Derivative financial assets	–	–
Bills receivable	4,796,127,805.35	5,220,075,723.28
Accounts receivable	8,414,386,776.14	8,260,671,460.88
Prepayments	4,477,383,774.40	3,559,649,291.84
Premiums receivable	–	–
Reinsurance accounts receivable	–	–
Reinsurance contract provision receivable	–	–
Interest receivable	8,565,508.97	14,854,583.91
Dividends receivable	39,087,097.90	39,137,097.90
Other receivables	997,498,674.66	1,000,245,750.80
Financial assets purchased under agreements to resell	–	–
Inventories	8,487,273,105.95	8,007,242,535.61
Assets classified as held for sale	41,907,445.58	41,907,445.58
Non-current assets due within one year	190,206,006.45	190,206,006.45
Other current assets	461,932,126.17	531,777,191.13
	<hr/>	<hr/>
Total current assets	45,591,460,008.54	44,809,469,168.14
	<hr/> <hr/>	<hr/> <hr/>

Unit: RMB

Item	As at 31 March 2017	As at 1 January 2017
Non-current assets:		
Loans and advances offered	–	–
Available-for-sale financial assets	3,185,831,789.35	2,717,403,870.93
Held-to-maturity investments	–	–
Long-term receivables	1,968,379,058.11	1,409,191,067.46
Long-term equity investments	232,739,547.20	239,633,436.78
Investment properties	310,640,984.08	313,687,704.55
Fixed assets	41,379,808,089.13	42,718,647,177.17
Construction in progress	3,022,846,572.44	1,858,761,729.36
Construction materials	21,889,061.92	955,197.22
Disposal of fixed assets	2,760,054.79	2,760,748.79
Productive biological assets	–	–
Oil and gas assets	–	–
Intangible assets	4,773,163,469.27	4,818,842,003.52
Development expenditures	121,237,157.31	106,592,418.23
Goodwill	1,532,375,285.28	1,532,196,983.00
Long-term prepayments	669,128,048.81	684,990,733.48
Deferred income tax assets	1,044,414,622.09	1,040,769,848.40
Other non-current assets	159,343,699.75	168,872,509.93
Total non-current assets	58,424,557,439.53	57,613,305,428.82
Total assets	104,016,017,448.07	102,422,774,596.96

Unit: RMB

Item	As at 31 March 2017	As at 1 January 2017
Current liabilities:		
Short-term borrowings	12,334,270,673.38	11,344,696,714.05
Borrowings from the central bank	–	–
Deposit taking and interbank placements	–	–
Borrowing fund	–	–
Financial liabilities at fair value through current profit or loss	455,396.51	2,562,715.43
Derivative financial liabilities	–	–
Bills payable	4,634,045,860.82	4,264,101,092.89
Accounts payable	12,271,951,006.50	12,784,123,997.60
Accounts received in advance	11,929,035,756.70	10,315,118,567.63
Financial assets sold under agreements to repurchase	–	–
Handling charges and commissions payable	–	–
Employee benefits payable	560,869,251.68	853,455,498.45
Taxes payable	502,734,347.97	617,184,805.79
Interest payable	255,601,397.76	247,432,291.27
Dividends payable	124,863,009.55	132,117,503.90
Other payables	1,040,524,459.41	1,306,600,086.88
Reinsurance accounts payable	–	–
Insurance contract provision	–	–
Receivings from vicariously traded securities	–	–
Receivings from vicariously sold securities	–	–
Liabilities classified as held for sale	–	–
Non-current liabilities due within one year	3,615,579,077.15	3,798,417,393.78
Other current liabilities	3,948,729,714.85	6,563,564,483.01
Total current liabilities	51,218,659,952.28	52,229,375,150.68

Unit: RMB

Item	As at 31 March 2017	As at 1 January 2017
Non-current liabilities:		
Long-term borrowings	7,392,650,507.36	6,711,162,503.78
Bonds payable	6,296,482,576.20	4,796,119,409.53
Including: Preferred shares		
Perpetual bond		
Long-term payables	593,621,715.72	652,359,925.04
Long-term employee benefits payable	288,263,420.61	292,079,236.77
Special payables	320,517,520.54	313,168,444.12
Provisions	290,271,604.28	286,603,241.14
Deferred incomes	716,344,117.69	735,536,279.87
Deferred income tax liabilities	866,606,316.27	764,636,191.59
Other non-current liabilities	—	—
Total non-current liabilities	16,764,757,778.67	14,551,665,231.84
Total liabilities	67,983,417,730.95	66,781,040,382.52
Shareholders' equity:		
Share capital	3,571,464,000.00	3,571,464,000.00
Other equity instruments	—	—
Including: Preferred shares		
Perpetual bond		
Capital reserve	5,936,707,328.08	5,956,389,552.00
Less: Treasury shares	—	—
Other comprehensive income	1,548,152,717.11	1,265,184,592.31
Special reserve	252,958,437.01	247,886,109.99
Surplus reserve	214,682,338.10	214,682,338.10
General risk provisions	—	—
Undistributed profits	5,467,645,691.51	5,386,133,582.18
Total equity attributable to the shareholders of parent company	16,991,610,511.81	16,641,740,174.58
Minority interests	19,040,989,205.31	18,999,994,039.86
Total shareholders' equity	36,032,599,717.12	35,641,734,214.44
Total liabilities and shareholders' equity	104,016,017,448.07	102,422,774,596.96

Consolidated Income Statement of the Group for the three months ended 31 March 2017

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
I. Total operating revenue	9,674,729,552.25	8,568,853,812.31
Including: Operating income	9,674,729,552.25	8,568,853,812.31
Interest income	-	-
Earned premium	-	-
Handling charges and commission income	-	-
II. Total operating cost	9,659,005,749.59	9,013,720,239.09
Including: Operating cost	7,841,652,425.12	7,311,515,699.77
Interest expenditure	-	-
Handling charges and commission expenditure	-	-
Surrender value	-	-
Net compensation expenses	-	-
Net amount of provisions for insurance contract	-	-
Expenditures dividend policy	-	-
Reinsurance expenses	-	-
Taxes and surcharges	100,138,342.29	57,115,704.26
Selling expenses	372,160,183.90	338,669,641.04
Administrative expenses	901,786,816.26	877,326,883.05
Financial expenses	393,655,045.76	419,036,960.52
Asset impairment losses	49,612,936.26	10,055,350.45
Add: Incomes from changes in fair value (loss shall be stated as "-")	2,984,201.27	850,951.98
Investment incomes (loss shall be stated as "-")	5,704,891.78	6,180,026.21
Exchange income (loss shall be stated as "-")	-	-
III. Operating profit (loss shall be stated as "-")	24,412,895.71	-437,835,448.59
Add: Non-operating income	88,912,562.29	191,077,972.65
Less: Non-operating expenses	9,290,195.45	13,897,827.17
IV. Total profit (total loss shall be stated as "-")	104,035,262.55	-260,655,303.11
Less: Income tax expenses	125,554,108.48	95,480,355.63

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
V. Net profit (net loss shall be stated as “-”)	-21,518,845.93	-356,135,658.74
Net profit attributable to shareholders of the parent company	81,512,109.33	-47,133,897.39
Minority interests	-103,030,955.26	-309,001,761.35
VI. Net amount of other comprehensive income after tax	377,120,794.61	-176,748,492.16
Net amount of other comprehensive income after tax attributable to shareholders’ of parent company	282,968,124.80	-105,737,791.24
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	-	-1,915,813.06
1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plan	-	-1,915,813.06
2. Shares of other comprehensive income that cannot be reclassified to profit or loss of the investee entities under the equity method	-	-
(II) Other comprehensive income that may be subsequently reclassified to profit or loss	282,968,124.80	-103,821,978.18
1. Shares of other comprehensive income that may be subsequently reclassified to profit or loss of the investee entities under the equity method	-	-
2. Gains and losses arising from changes in fair value of available-for-sale financial assets	282,639,598.44	-105,185,492.58
3. Gains and losses arising from reclassifying held-to-maturity investment to available-for-sale financial assets	-	-
4. Effective portion of gains and losses arising from hedging instruments in a cash flow hedge	-	-
5. Exchange differences on translation of foreign currency financial statements	328,526.36	1,363,514.40
6. Others	-	-
Net amount of other comprehensive income after tax attributable to minority interests	94,152,669.81	-71,010,700.92
VII. Total comprehensive income	355,601,948.68	-532,884,150.90
Total comprehensive income attributable to shareholders of parent company	364,480,234.13	-152,871,688.63
Total comprehensive income attributable to minority interests	-8,878,285.45	-380,012,462.27
VIII. Earnings per share:		
(1) Basic earnings per share	0.02	-0.01
(2) Diluted earnings per share	0.02	-0.01

Consolidated Statement of Cash Flows of the Group for the three months ended 31 March 2017

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
I. Cash flows generated from operating activities:		
Cash received from sales of goods or rendering of services	9,725,601,454.11	8,104,714,991.11
Net increase in deposits and interbank placements	-	-
Net increase in loans from the central bank	-	-
Net increase in funds borrowed from other financial institutions	-	-
Cash received from receiving premium of original insurance contract	-	-
Net cash received from reinsurance	-	-
Net increase in deposits of the insured and investment	-	-
Net increase in disposal of financial assets measured at fair value and with their variance recorded into current profits and losses	-	-
Cash received from interests, handling charges and commissions	-	-
Net increase in funds borrowed	-	-
Net increase in repurchase business funds	-	-
Refund of taxes and surcharges	240,521,720.09	303,802,991.65
Cash received relating to other operating activities	1,075,441,440.30	645,764,154.61
Sub-total of cash inflows from operating activities	11,041,564,614.50	9,054,282,137.37
Cash paid for purchase of goods and services received	7,379,939,930.14	6,046,667,578.01
Net increase in loans and advances to customer	-	-
Net increase in deposits with the central bank and other banks	-	-
Cash paid for compensation under original insurance contract	-	-
Cash paid for interests, handling charges and commissions	-	-
Cash paid for policyholder dividends	-	-
Cash paid to and on behalf of employees	1,544,978,410.45	1,343,202,729.70
Cash paid for taxes and surcharges	713,650,982.66	663,946,264.09
Cash paid relating to other operating activities	979,984,305.70	674,514,687.80
Sub-total of cash outflows from operating activities	10,618,553,628.95	8,728,331,259.60
Net cash flows from operating activities	423,010,985.55	325,950,877.77

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
II. Cash flows generated from investing activities:		
Cash received from disposal of investments	21,660,000.00	32,636,386.50
Cash received from returns on investments	4,193,378.38	3,310,416.41
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	2,984,447.40	4,288,470.78
Net cash received from disposal of subsidiaries and other operating entities	–	–
Cash received relating to other investing activities	7,500,850.65	15,320,591.91
Sub-total of cash inflows from investing activities	36,338,676.43	55,555,865.60
Cash paid to acquire fixed assets, intangible assets and other long-term assets	455,317,757.01	490,343,643.01
Cash paid for investments	72,965,303.03	260,930,254.08
Net increase in pledged loans	–	–
Net cash paid for acquisitions of subsidiaries and other operating entities	–	956,133.33
Cash paid relating to other investing activities	3,627,514.90	2,516,055.00
Sub-total of cash outflows from investing activities	531,910,574.94	754,746,085.42
Net cash flows from investing activities	–495,571,898.51	–699,190,219.82

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
III. Cash flows from financing activities:		
Cash received from capital contributions	16,867,405.00	–
Cash received from borrowings	5,169,216,132.74	4,483,229,554.85
Cash received from issuing bonds	1,492,800,000.00	–
Cash received relating to other financing activities	2,049,793,016.05	588,838,845.90
Sub-total of cash inflows from financing activities	8,728,676,553.79	5,072,068,400.75
Cash repayments of borrowings	3,948,127,602.20	4,979,520,495.98
Cash payments for interest expenses and distribution of dividends or profits	372,376,588.24	328,760,008.58
Cash paid relating to other financing activities	4,582,796,815.89	234,370,816.64
Sub-total of cash outflows from financing activities	8,903,301,006.33	5,542,651,321.20
Net cash flows from financing activities	-174,624,452.54	-470,582,920.45
IV. Effect of changes in exchange rate on cash and cash equivalents	-14,727,264.41	4,307,564.17
V. Net increase in cash and cash equivalents	-261,912,629.91	-839,514,698.33
Add: Cash and cash equivalents at the beginning of the period	15,503,449,822.75	12,951,276,987.11
VI. Cash and cash equivalents at the end of the period	15,241,537,192.84	12,111,762,288.78

FINANCIAL INFORMATION OF THE COMPANY FOR THE THREE MONTHS ENDED 31 MARCH 2017

Balance Sheet of the Company as at 31 March 2017

	<i>Unit: RMB</i>	
Item	As at 31 March 2017	As at 1 January 2017
Current assets:		
Monetary funds	62,037,043.09	666,688,821.77
Financial assets at fair value through current profit or loss	–	–
Derivative financial assets	–	–
Bills receivable	–	–
Accounts receivable	–	–
Prepayments	600,000.00	600,000.00
Interest receivable	–	–
Dividends receivable	46,915,119.64	46,915,119.64
Other receivables	1,167,191,949.50	1,076,029,588.13
Inventories	–	–
Assets classified as held for sale	–	–
Non-current assets due within one year	–	–
Other current assets	–	–
	<hr/>	<hr/>
Total current assets	<u>1,276,744,112.23</u>	<u>1,790,233,529.54</u>

Unit: RMB

Item	As at 31 March 2017	As at 1 January 2017
Non-current assets:		
Available-for-sale financial assets	2,367,730,423.42	2,059,118,960.88
Held-to-maturity investments	–	–
Long-term receivables	535,130,000.00	535,130,000.00
Long-term equity investments	15,443,136,841.20	15,453,366,938.10
Investment properties	–	–
Fixed assets	3,980,463.57	3,688,764.07
Construction in progress	–	–
Construction materials	–	–
Disposal of fixed assets	–	–
Productive biological assets	–	–
Oil and gas assets	–	–
Intangible assets	4,468,870.85	4,617,195.75
Development expenditures	–	–
Goodwill	–	–
Long-term prepayments	–	–
Deferred income tax assets	–	–
Other non-current assets	–	–
Total non-current assets	18,354,446,599.04	18,055,921,858.80
Total assets	19,631,190,711.27	19,846,155,388.34
Current liabilities:		
Short-term borrowings	245,000,000.00	145,000,000.00
Financial liabilities at fair value through current profit or loss	–	–
Derivative financial liabilities	–	–
Bills payable	–	–
Accounts payable	13,458.95	9,134.95
Accounts received in advance	–	–
Employee benefits payable	377,733.86	2,857,000.00
Taxes payable	242,038.15	1,369,893.71
Interest payable	94,052,499.99	123,586,666.65
Dividends payable	13,122,583.15	13,117,309.22
Other payables	21,249,218.74	21,325,849.37
Liabilities classified as held for sale	–	–
Non-current liabilities due within one year	–	–
Other current liabilities	1,500,000,000.00	3,500,000,000.00
Total current liabilities	1,874,057,532.84	3,807,265,853.90

Unit: RMB

Item	As at 31 March 2017	As at 1 January 2017
Non-current liabilities:		
Long-term borrowings	280,000,000.00	280,000,000.00
Bonds payable	4,000,000,000.00	2,500,000,000.00
Including: Preferred shares	–	–
Perpetual bond	–	–
Long-term payables	–	–
Long-term employee benefits payable	30,224,027.37	31,135,000.00
Special payables	–	–
Provisions	–	–
Deferred incomes	–	–
Deferred income tax liabilities	492,976,104.45	415,823,238.82
Other non-current liabilities	–	–
Total non-current liabilities	4,803,200,131.82	3,226,958,238.82
Total liabilities	6,677,257,664.66	7,034,224,092.72
Shareholders' equity:		
Share capital	3,571,464,000.00	3,571,464,000.00
Other equity instruments	–	–
Including: Preferred shares	–	–
Perpetual bond	–	–
Capital reserve	6,868,446,187.73	6,868,168,164.66
Less: Treasury shares	–	–
Other comprehensive income	1,463,547,313.40	1,232,088,716.49
Special reserve	–	–
Surplus reserve	207,393,572.45	207,393,572.45
Undistributed profits	843,081,973.03	932,816,842.02
Total shareholders' equity	12,953,933,046.61	12,811,931,295.62
Total liabilities and shareholders' equity	19,631,190,711.27	19,846,155,388.34

Income Statement of the Company for the three months ended 31 March 2017

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
I. Operating revenue	9,714,363.25	21,536,776.56
Less: Operating costs	1,927,371.67	1,206,059.51
Taxes and surcharges	–	–
Selling expenses	–	–
Administrative expenses	10,375,634.04	10,306,465.93
Financial expenses	76,916,129.63	75,547,738.66
Asset impairment losses	–	–
Add: Incomes from changes in fair value (loss shall be stated as “-”)	–	–
Investment incomes (loss shall be stated as “-”)	-10,230,096.90	-20,521,673.98
II. Operating profit (loss shall be stated as “-”)	-89,734,868.99	-86,045,161.52
Add: Non-operating income	–	–
Less: Non-operating expenses	–	–
III. Total profit (total loss shall be stated as “-”)	-89,734,868.99	-86,045,161.52
Less: Income tax expenses	–	–
IV. Net profit (net loss shall be stated as “-”)	-89,734,868.99	-86,045,161.52

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
V. Net amount of other comprehensive income after tax	231,458,596.91	-65,500,631.11
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	-	-
1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plan	-	-
2. Shares of other comprehensive income that cannot be reclassified to profit or loss of the investee entities under the equity method	-	-
(II) Other comprehensive income that may be subsequently reclassified to profit or loss	231,458,596.91	-65,500,631.11
1. Shares of other comprehensive income that may be subsequently reclassified to profit or loss of the investee entities under the equity method	-	-
2. Gains and losses arising from changes in fair value of available-for-sale financial assets	231,458,596.91	-65,500,631.11
3. Gains and losses arising from reclassifying held-to-maturity investment to available-for-sale financial assets	-	-
4. Effective portion of gains and losses arising from hedging instruments in a cash flow hedge	-	-
5. Exchange differences on translation of foreign currency financial statements	-	-
6. Others	-	-
VI. Total comprehensive income	141,723,727.92	-151,545,792.63
VII. Earnings per share		
(1) Basic earnings per share	-	-
(2) Diluted earnings per share	-	-

Statement of Cash Flows of the Company for the three months ended 31 March 2017

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
I. Cash flows generated from operating activities:		
Cash received from sales of goods or rendering of services	–	–
Refund of taxes and surcharges	–	–
Cash received relating to other operating activities	<u>5,676,422.53</u>	<u>1,426,452.53</u>
Sub-total of cash inflows from operating activities	<u>5,676,422.53</u>	<u>1,426,452.53</u>
Cash paid for purchase of goods and services received	–	–
Cash paid to and on behalf of employees	9,615,283.95	11,701,600.80
Cash paid for taxes and surcharges	3,852,511.95	4,510,564.68
Cash paid relating to other operating activities	<u>5,238,905.87</u>	<u>6,755,501.67</u>
Sub-total of cash outflows from operating activities	<u>18,706,701.77</u>	<u>22,967,667.15</u>
Net cash flows from operating activities	<u>-13,030,279.24</u>	<u>-21,541,214.62</u>
II. Cash flows generated from investment activities:		
Cash received from disposal of investments	–	–
Cash received from returns on investments	–	–
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	–	–
Net cash received from disposals of subsidiaries and other operating entities	–	–
Cash received relating to other investing activities	<u>414,974,596.56</u>	<u>421,536,776.56</u>
Sub-total of cash inflows from investing activities	<u>414,974,596.56</u>	<u>421,536,776.56</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	350,862.00	135,798.00
Cash paid for investments	–	89,700,000.00
Net cash paid for acquisitions of subsidiaries and other operating entities	–	–
Cash paid relating to other investing activities	<u>492,000,000.00</u>	<u>400,000,000.00</u>
Sub-total of cash outflows from investing activities	<u>492,350,862.00</u>	<u>489,835,798.00</u>
Net cash flows from investing activities	<u>-77,376,265.44</u>	<u>-68,299,021.44</u>

Unit: RMB

Item	Three months ended 31 March 2017	Three months ended 31 March 2016
III. Cash flows from financing activities:		
Cash received from capital contributions	–	–
Cash received from borrowings	500,000,000.00	–
Cash received from issuing bonds	1,492,800,000.00	–
Cash received relating to other financing activities	1,600,000,000.00	5,103.68
Sub-total of cash inflows from financing activities	3,592,800,000.00	5,103.68
Cash repayments of borrowings	500,000,000.00	–
Cash payments for interest expenses and distribution of dividends or profits	107,045,234.00	9,380,488.00
Cash paid relating to other financing activities	3,500,000,000.00	–
Sub-total of cash outflows from financing activities	4,107,045,234.00	9,380,488.00
Net cash flows from financing activities	–514,245,234.00	–9,375,384.32
IV. Effect of changes in exchange rate on cash and cash equivalents	–	–
V. Net increase in cash and cash equivalents	–604,651,778.68	–99,215,620.38
Add: Cash and cash equivalents at the beginning of the period	666,688,821.77	303,998,811.14
VI. Cash and cash equivalents at the end of the period	62,037,043.09	204,783,190.76

By order of the Board
CHINA NATIONAL MATERIALS COMPANY LIMITED
Liu Zhijiang
Chairman of the Board

Beijing, China
28 April 2017

As at the date of this announcement, the executive directors of the Company are Mr. Liu Zhijiang and Mr. Peng Jianxin, the non-executive directors of the Company are Mr. Li Xinhua, Mr. Li Jianlun, Mr. Shen Yungang and Mr. Wang Fengting, and the independent non-executive directors of the Company are Mr. Leung Chong Shun, Mr. Lu Zhengfei and Mr. Wang Zhulin.

Please also refer to the published version of this announcement on the Company's website.