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CNBM

China National Building Material Company Limited*

中國建 材 股 份 有 限 公 司

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

(Stock Code: 3323)

THIRD QUARTERLY REPORT OF 2017

Reference is made to the announcements of the Company dated 22 May 2015, 27 May 2016, 27 July 2016, 13 September 2016, 22 September 2016, 26 September 2016, 28 September 2016, 26 May 2017, 12 July 2017, 14 July 2017, 18 July 2017, 30 August 2017, 11 October 2017, 13 October 2017 and 17 October 2017 and the circulars of the Company dated 2 April 2015, 7 April 2016 and 7 April 2017.

In April 2016, the Company filed the Unified Registration for Debt Financing Instruments (DFI) (including super short-term commercial paper, short-term commercial paper, medium-term debentures and perpetual medium-term debentures) in the China interbank bond market, which are issued according to types and in separate tranches. As of the date of this announcement, thirteen tranches have been issued by the Company. The issue of the sixth tranche of the super short-term commercial paper in 2017 was completed on 5 June 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 66 days and an annual coupon rate of 4.45%. The issue of the seventh tranche of the super short-term commercial paper in 2017 was completed on 14 June 2017, with an aggregate principal amount of RMB1 billion, par value of RMB100, a maturity period of 101 days and an annual coupon rate of 4.55%. The issue of the eighth tranche of the super short-term commercial paper in 2017 was completed on 26 June 2017, with an aggregate principal amount of RMB0.8 billion, par value of RMB100, a maturity period of 11 days and an annual coupon rate of 4.45%. The issue of the ninth tranche of the super short-term commercial paper in 2017 was completed on 5 July 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 52 days and an annual coupon rate of 4.30%. The issue of the tenth tranche of the super short-term commercial paper in 2017 was completed on 10 July 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 270 days and an annual coupon rate

of 4.38%. The issue of the eleventh tranche of the super short-term commercial paper in 2017 was completed on 3 August 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 176 days and an annual coupon rate of 4.30%. The issue of the twelfth tranche of the super short-term commercial paper in 2017 was completed on 21 August 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 201 days and an annual coupon rate of 4.30%. The issue of the thirteenth tranche of the super short-term commercial paper in 2017 was completed on 14 August 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 222 days and an annual coupon rate of 4.35%. The issue of the fourteenth tranche of the super short-term commercial paper in 2017 was completed on 24 August 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 58 days and an annual coupon rate of 4.30%. The issue of the fifteenth tranche of the super short-term commercial paper in 2017 was completed on 5 September 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 92 days and an annual coupon rate of 4.10%. The issue of the sixteenth tranche of the super short-term commercial paper in 2017 was completed on 11 September 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 270 days and an annual coupon rate of 4.34%. The issue of the seventeenth tranche of the super short-term commercial paper in 2017 was completed on 20 September 2017, with an aggregate principal amount of RMB2 billion, par value of RMB100, a maturity period of 268 days and an annual coupon rate of 4.70%. The issue of the eighteenth tranche of the super short-term commercial paper in 2017 was completed on 18 October 2017, with an aggregate principal amount of RMB1.2 billion, par value of RMB100, a maturity period of 269 days and an annual coupon rate of 4.70%.

On 9 September 2016, the Company was approved to publicly issue corporate bonds with a par value of not exceeding RMB20 billion in aggregate within 24 months from that date. The issue of the first tranche of the corporate bonds in 2017 was completed on 17 July 2017, with an actual size of issuance of RMB4 billion, among which: the type 1 issuance had a size of RMB3 billion with par value of RMB100, a maturity period of 5 years, options of the issuer to adjust the coupon rate and of the investors to sell back the bonds at the end of the third year, and a coupon rate of 4.60%; and the type 2 issuance had a size of RMB1 billion with par value of RMB100, a maturity period of 7 years, options of the issuer to adjust the coupon rate and of the investors to sell back the bonds at the end of the fifth year, and a coupon rate of 4.89%.

On 22 August 2017, the Company was approved to publicly issue renewable corporate bonds with a par value not exceeding RMB20 billion in aggregate within 24 months from that date. The issue of the first tranche of the renewable corporate bonds in 2017 was completed on 16 October 2017, with an actual size of issuance of RMB4.5 billion, among which: the type 1 issuance had a size of RMB3 billion with par value of RMB100 and basic maturity period of 3 years. Each period will be 3 interest accruing years. At the end of each period, the Company (the issuer) is entitled to extend this

type of bonds for an additional term (i.e. 3 years), or to redeem this type of bonds in full as they fall due at the end of the period, and a coupon rate of 5.18%. The type 2 issuance had a size of RMB1.5 billion with par value of RMB100 and basic maturity period of 5 years. Each period will be 5 interest accruing years. At the end of each period, the Company (the issuer) is entitled to extend this type of bonds for an additional term (i.e. 5 years), or to redeem this type of bonds in full as they fall due at the end of the period, and a coupon rate of 5.30%.

Relevant documents containing the details of the issue of the above medium-term debentures and super short-term commercial paper are available on the websites of China Money (<http://www.chinamoney.com.cn>) and Shanghai Clearing House (<http://www.shclearing.com>).

Relevant documents containing the details of the issue of the above corporate bonds and renewable corporate bonds are available on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn/disclosure/bond/announcement/company/>).

According to the relevant PRC regulations, the Company is required to publish the quarterly results on the websites of China Money, China Bond (<http://www.chinabond.com.cn>) and Shanghai Clearing House during the term of the above medium-term debentures and super short-term commercial paper, and to publish the interim results and annual results on the website of the Shanghai Stock Exchange during the term of the above corporate bonds.

The following is the financial information of the Group and the Company for the third quarter ended 30 September 2017 prepared under PRC GAAP, which is published simultaneously on the websites of China Money, China Bond and Shanghai Clearing House.

1. THE CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

CONSOLIDATED BALANCE SHEET

As at 30 September 2017

Prepared by: China National Building Material Company Limited* *Unit: RMB*

| Assets | 30 September 2017 | 31 December 2016 |
|--|---------------------------|-------------------------|
| Current assets: | | |
| Cash and bank balance | 25,071,069,576.42 | 18,225,819,611.14 |
| Financial assets at fair value through profit or loss | 2,737,144,112.97 | 2,692,940,925.28 |
| Notes receivable | 13,624,449,653.16 | 10,541,258,363.46 |
| Accounts receivable | 41,085,850,707.47 | 38,244,446,210.06 |
| Prepayments | 16,616,231,686.58 | 15,161,019,755.43 |
| Interest receivable | | |
| Dividends receivable | 46,447,096.57 | 48,838,518.95 |
| Other receivables | 17,089,701,389.50 | 22,932,427,113.41 |
| Inventories | 17,439,884,532.10 | 15,204,778,114.44 |
| Non-current assets due within one year | – | 25,000,000.00 |
| Other current assets | 2,897,443,154.85 | 2,829,965,321.91 |
| Total current assets | 136,608,221,909.62 | 125,906,493,934.08 |

| | 30 September 2017 | 31 December 2016 |
|-------------------------------------|---------------------------|---------------------------|
| Non-current assets: | | |
| Available-for-sale financial assets | 3,286,347,195.70 | 3,080,072,064.76 |
| Held-to-maturity investments | | |
| Long-term receivables | 248,202,209.39 | 275,156,915.69 |
| Long-term equity investments | 10,224,894,247.78 | 10,807,077,031.26 |
| Investment properties | 293,565,979.94 | 333,499,979.06 |
| Fixed assets | 118,594,821,533.20 | 118,974,706,106.66 |
| Construction in progress | 10,457,291,348.40 | 8,604,927,439.85 |
| Construction materials | 53,097,369.99 | 73,623,645.35 |
| Disposal of fixed assets | | |
| Intangible assets | 22,595,560,650.28 | 22,093,810,765.03 |
| Development expenses | 81,443,710.29 | 95,756,585.93 |
| Goodwill | 44,571,507,074.43 | 42,519,341,801.59 |
| Long-term deferred expenditures | 2,345,933,806.10 | 2,208,774,800.62 |
| Deferred income tax assets | 4,433,944,699.66 | 4,611,693,904.72 |
| Other non-current assets | 508,541,196.46 | 999,826,688.39 |
| Total non-current assets | 217,695,151,021.62 | 214,678,267,728.91 |
| Total assets | 354,303,372,931.24 | 340,584,761,662.99 |

Legal Representative:

Song Zhiping

Chief Accountant:

Chen Xuean

*Head of the Accounting
Department:*

Pei Hongyan

| Liabilities | 30 September 2017 | 31 December 2016 |
|--|---------------------------|--------------------|
| Current liabilities: | | |
| Short-term borrowings | 87,815,383,447.79 | 82,340,848,059.06 |
| Financial liabilities at fair value through profit or loss | | |
| Notes payable | 18,237,371,361.24 | 13,200,301,105.16 |
| Accounts payable | 22,195,343,273.48 | 21,385,828,411.26 |
| Payment received in advance | 3,824,025,680.79 | 3,087,917,127.77 |
| Payroll payable | 694,439,416.25 | 682,883,990.89 |
| Taxes payable | 2,747,212,367.69 | 3,434,132,450.26 |
| Interest payable | 526,976,746.20 | 518,517,147.58 |
| Dividends payable | 673,811,424.83 | 307,724,886.37 |
| Other payables | 15,451,734,416.87 | 14,150,298,699.83 |
| Non-current liabilities due within one year | 20,228,705,269.53 | 22,209,231,054.65 |
| Other current liabilities | 36,971,858,251.95 | 41,515,571,528.37 |
| Total current liabilities | 209,366,861,656.62 | 202,833,254,461.20 |
| Non-current liabilities: | | |
| Long-term borrowings | 20,386,511,569.29 | 20,268,852,051.32 |
| Debentures payable | 29,587,783,170.42 | 23,247,379,100.49 |
| Long-term payables | 13,252,864,834.67 | 15,493,879,762.32 |
| Long-term employees' remuneration payable | | |
| Special payables | 53,445,828.78 | 49,129,936.35 |
| Accrued liabilities | 262,576,653.52 | 265,604,951.97 |
| Deferred income | 770,073,612.70 | 788,355,448.63 |
| Deferred income tax liabilities | 1,840,357,709.95 | 1,966,471,185.80 |
| Other non-current liabilities | 60,113,803.25 | 109,170,079.37 |
| Total non-current liabilities | 66,213,727,182.58 | 62,188,842,516.25 |
| Total liabilities | 275,580,588,839.20 | 265,022,096,977.45 |

| | 30 September 2017 | 31 December 2016 |
|---|---------------------------|--------------------|
| Owners' equity (or shareholders' equity): | | |
| Paid-up capital (share capital) | 5,399,026,262.00 | 5,399,026,262.00 |
| Other equity instruments | 11,907,366,600.00 | 11,907,366,600.00 |
| Including: Preferential shares | | |
| Perpetual debentures | 11,907,366,600.00 | 11,907,366,600.00 |
| Capital reserve | 5,976,948,761.93 | 5,982,332,093.71 |
| Less: Treasury stock | | |
| Other comprehensive income | -349,568,688.89 | -475,780,875.69 |
| Including: Currency translation differences | -155,907,989.61 | -107,557,894.42 |
| Special reserve | 33,675,666.48 | 26,729,901.51 |
| Surplus reserve | 1,293,857,653.84 | 1,293,857,653.84 |
| Undistributed profit | 31,886,187,184.96 | 29,774,124,289.03 |
| Total owners' equity attributable to the Company | 56,147,493,440.32 | 53,907,655,924.40 |
| Minority interests | 22,575,290,651.72 | 21,655,008,761.14 |
| Total owners' equity | 78,722,784,092.04 | 75,562,664,685.54 |
| Total liabilities and owners' equity | 354,303,372,931.24 | 340,584,761,662.99 |

Legal Representative:

Song Zhiping

Chief Accountant:

Chen Xuean

Head of the Accounting Department:

Pei Hongyan

CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2017

Prepared by: China National Building Material Company Limited* *Unit: RMB*

| Item | January to September 2017 | January to September 2016 |
|--|------------------------------|------------------------------|
| I. Total operating revenue | 88,467,481,634.27 | 70,322,025,848.15 |
| Including: Operating revenue | 88,467,481,634.27 | 70,322,025,848.15 |
| II. Total operating costs | 84,419,588,599.71 | 69,967,030,031.26 |
| Including: Operating cost | 64,388,078,231.47 | 51,835,664,352.30 |
| Tax and auxiliary charges | 958,052,744.53 | 459,386,417.09 |
| Selling expenses | 5,927,393,443.16 | 4,865,019,584.84 |
| Administrative expenses | 5,584,306,497.38 | 5,739,061,570.53 |
| Finance costs | 7,401,147,491.80 | 6,838,122,693.51 |
| Impairments loss on assets | 160,610,191.37 | 229,775,412.99 |
| Others | | |
| Add: Gains on fair value changes (loss stated with “-”) | 167,864,463.85 | -274,697,007.60 |
| Investment income (loss stated with “-”) | 754,605,003.12 | 487,533,289.84 |
| Other income | 528,656,835.47 | |
| III. Operating profit (loss stated with “-”) | 5,499,019,337.00 | 567,832,099.13 |
| Add: Non-operating income | 345,001,366.86 | 1,411,155,399.35 |
| Less: Non-operating expense | 301,488,510.67 | 278,704,534.62 |
| IV. Total profit (total loss stated with “-”) | 5,542,532,193.19 | 1,700,282,963.86 |
| Less: Income tax expense | 1,639,078,123.11 | 539,173,397.42 |
| V. Net profit (net loss stated with “-”) | 3,903,454,070.08 | 1,161,109,566.44 |
| Net profit attributable to the owners of the Company | 2,344,221,025.20 | 718,333,608.86 |
| Minority interests | 1,559,233,044.88 | 442,775,957.58 |

Legal Representative:

Song Zhiping

Chief Accountant:

Chen Xuean

*Head of the Accounting
Department:*

Pei Hongyan

CONSOLIDATED CASH FLOW STATEMENT

For the nine months ended 30 September 2017

Prepared by: China National Building Material Company Limited* *Unit: RMB*

| Item | January to September 2017 | January to September 2016 |
|--|------------------------------|------------------------------|
| I. Cash flow from operating activities: | | |
| Cash received from product sales and rendering services | 92,415,551,206.73 | 77,388,700,975.44 |
| Refund of taxes and levies received | 1,147,727,777.11 | 1,311,563,425.72 |
| Other cash received relating to operating activities | 3,062,051,244.31 | 2,555,837,662.92 |
| Sub-total of cash inflow from operating activities | 96,625,330,228.15 | 81,256,102,064.08 |
| Cash paid for purchase of goods and receipt of services | 64,179,965,966.33 | 55,524,434,392.30 |
| Cash paid to and paid for employees | 6,399,610,080.12 | 5,963,448,619.20 |
| Taxes and levies paid | 7,342,360,420.80 | 6,183,523,038.25 |
| Other cash paid relating to operating activities | 7,597,496,934.09 | 8,869,313,384.95 |
| Sub-total of cash outflow from operating activities | 85,519,433,401.34 | 76,540,719,434.70 |
| Net cash flows from operating activities | 11,105,896,826.81 | 4,715,382,629.38 |

| Item | January to September 2017 | January to September 2016 |
|--|------------------------------|------------------------------|
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 6,821,184,563.55 | 4,296,405,139.38 |
| Cash received from returns on investments | 763,499,968.38 | 198,393,150.39 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 252,219,329.45 | 372,366,709.23 |
| Net cash received from disposal of subsidiaries and other operating entities | 16,208,341.58 | – |
| Other cash received relating to investing activities | 104,000,000.00 | – |
| Sub-total of cash inflow from investing activities | 7,957,112,202.96 | 4,867,164,999.00 |
| Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets | 6,854,383,329.45 | 7,260,111,187.61 |
| Cash paid for investment | 7,432,402,539.95 | 3,424,205,765.31 |
| Net cash paid for acquisition of subsidiaries and other operating entities | – | – |
| Other cash paid relating to investing activities | 128,173,302.57 | – |
| Sub-total of cash outflow from investing activities | 14,414,959,171.97 | 10,684,316,952.92 |
| Net cash flows from investing activities | -6,457,846,969.01 | -5,817,151,953.92 |

| Item | January to September 2017 | January to September 2016 |
|---|------------------------------|------------------------------|
| III. Cash flows from financing activities: | | |
| Cash received from investments | – | 12,200,485.68 |
| Cash received from borrowings | 143,426,754,959.44 | 143,594,537,884.03 |
| Other cash received relating to financing activities | 9,142,712,140.54 | 6,937,417,309.56 |
| Sub-total of cash inflow from financing activities | 152,569,467,099.98 | 150,544,155,679.27 |
| Cash paid for repayments of liabilities | 138,021,412,261.87 | 129,730,478,602.57 |
| Cash paid for dividend and profit distribution or interest repayment | 7,241,091,389.39 | 6,411,152,727.21 |
| Other cash paid relating to financing activities | 6,715,777,499.65 | 4,936,061,397.47 |
| Sub-total of cash outflow from financing activities | 151,978,281,150.91 | 141,077,692,727.25 |
| Net cash flows from financing activities | 591,185,949.07 | 9,466,462,952.02 |
| IV. Effect of changes in exchange rates on cash and cash equivalents | | |
| | -35,197,397.16 | -13,619,214.68 |
| V. Net increase in cash and cash equivalents | | |
| Add: Balance of cash and cash equivalents at the beginning of the period | 5,204,038,409.71 | 8,351,074,412.80 |
| | 11,174,095,713.22 | 11,718,058,738.32 |
| VI. Balance of cash and cash equivalents at the end of the period | | |
| | 16,378,134,122.93 | 20,069,133,151.12 |

Legal Representative:

Song Zhiping

Chief Accountant:

Chen Xuean

*Head of the Accounting
Department:*

Pei Hongyan

2. THE FINANCIAL INFORMATION OF THE COMPANY

BALANCE SHEET

As at 30 September 2017

Prepared by: China National Building Material Company Limited* *Unit: RMB*

| Assets | 30 September 2017 | 31 December 2016 |
|--|--------------------------|-------------------|
| Current assets: | | |
| Cash and bank balance | 1,506,341,032.04 | 324,898,990.56 |
| Financial assets at fair value through profit or loss | 257,700,000.00 | 240,900,000.00 |
| Notes receivable | | |
| Accounts receivable | | |
| Prepayments | | |
| Interest receivable | | |
| Dividends receivable | 459,790,477.37 | |
| Other receivables | 72,591,613,165.66 | 63,238,779,702.25 |
| Inventories | | |
| Non-current assets due within one year | | |
| Other current assets | | |
| Total current assets | 74,815,444,675.07 | 63,804,578,692.81 |

| Assets | 30 September 2017 | 31 December 2016 |
|-------------------------------------|---------------------------|-------------------|
| Non-current assets: | | |
| Available-for-sale financial assets | 123,820,445.00 | 6,252,555.00 |
| Held-to-maturity investments | | |
| Long-term receivables | | |
| Long-term equity investments | 30,804,201,984.83 | 30,534,765,233.13 |
| Investment properties | | |
| Fixed assets | 1,262,083,516.27 | 1,296,569,544.15 |
| Construction in progress | | |
| Construction materials | | |
| Disposal of fixed assets | | |
| Intangible assets | | |
| Development expenses | | |
| Goodwill | | |
| Long-term deferred expenditures | | |
| Deferred income tax assets | | |
| Other non-current assets | | |
| Total non-current assets | 32,190,105,946.10 | 31,837,587,332.28 |
| Total assets | 107,005,550,621.17 | 95,642,166,025.09 |

Legal Representative:

Song Zhiping

Chief Accountant:

Chen Xuean

*Head of the Accounting
Department:*

Pei Hongyan

| Liabilities | 30 September 2017 | 31 December 2016 |
|--|--------------------------|-------------------|
| Current liabilities: | | |
| Short-term borrowings | 18,700,000,000.00 | 13,400,120,000.00 |
| Financial liabilities at fair value through profit or loss | | |
| Notes payable | | |
| Accounts payable | | |
| Payment received in advance | | |
| Payroll payable | 1,799,020.73 | 1,850,336.43 |
| Taxes payable | 5,193,483.17 | 9,528,983.57 |
| Interest payable | 24,211,450.60 | 16,463,831.05 |
| Dividends payable | | |
| Other payables | 6,199,035,451.96 | 4,390,556,815.95 |
| Non-current liabilities due within one year | 3,089,433,035.79 | 8,110,338,682.85 |
| Other current liabilities | 20,660,522,652.27 | 18,267,358,511.71 |
| Total current liabilities | 48,680,195,094.52 | 44,196,217,161.56 |
| Non-current liabilities: | | |
| Long-term borrowings | 4,680,000,000.00 | 2,490,000,000.00 |
| Debentures payable | 22,226,633,151.25 | 18,202,551,492.25 |
| Long-term payables | | |
| Long term employees' remuneration payable | | |
| Special payables | | |
| Accrued liabilities | | |
| Deferred income | | |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | 26,906,633,151.25 | 20,692,551,492.25 |
| Total liabilities | 75,586,828,245.77 | 64,888,768,653.81 |

| | 30 September 2017 | 31 December 2016 |
|---|---------------------------|-------------------|
| Owners' equity (or shareholders' equity): | | |
| Paid-up capital (share capital) | 5,399,026,262.00 | 5,399,026,262.00 |
| Other equity instruments | 11,907,366,600.00 | 11,907,366,600.00 |
| Including: Preferential shares | | |
| Perpetual debentures | 11,907,366,600.00 | 11,907,366,600.00 |
| Capital reserve | 6,751,975,219.04 | 6,751,975,219.04 |
| Less: Treasury stock | | |
| Other comprehensive income | -44,278,142.96 | -43,846,032.96 |
| Including: Currency translation differences | | |
| Special reserve | | |
| Surplus reserve | 1,293,857,653.84 | 1,293,857,653.84 |
| Undistributed profit | 6,110,774,783.48 | 5,445,017,669.36 |
| Total owners' equity attributable to the Company | 31,418,722,375.40 | 30,753,397,371.28 |
| Minority interests | - | - |
| Total owners' equity | 31,418,722,375.40 | 30,753,397,371.28 |
| Total liabilities and owners' equity | 107,005,550,621.17 | 95,642,166,025.09 |

Legal Representative:

Song Zhiping

Chief Accountant:

Chen Xuean

*Head of the Accounting
Department:*

Pei Hongyan

INCOME STATEMENT

For the nine months ended 30 September 2017

Prepared by: China National Building Material Company Limited* *Unit: RMB*

| Item | January to September 2017 | January to September 2016 |
|--|------------------------------|------------------------------|
| I. Total operating revenue | 11,195,337.13 | 184,629,226.08 |
| Including: Operating revenue | 11,195,337.13 | 184,629,226.08 |
| II. Total operating costs | 196,368,560.33 | 59,117,559.37 |
| Including: Operating cost | – | – |
| Tax and auxiliary charges | 7,132,786.17 | 7,480,663.91 |
| Selling expenses | – | – |
| Administrative expenses | 122,248,861.57 | 111,994,190.28 |
| Finance costs | 66,986,912.59 | -60,357,294.82 |
| Impairments loss on assets | – | – |
| Others | | |
| Add: Gains on fair value changes (loss stated with “-”) | 16,800,000.00 | -54,000,000.00 |
| Investment income (loss stated with “-”) | 1,099,523,264.24 | 894,878,081.09 |
| Other income | | |
| III. Operating profit (loss stated with “-”) | 931,150,041.04 | 966,389,747.80 |
| Add: Non-operating income | – | – |
| Less: Non-operating expense | 33,234,797.65 | 52,837,942.29 |
| IV. Total profit (total loss stated with “-”) | 897,915,243.39 | 913,551,805.51 |
| Less: Income tax expense | – | – |
| V. Net profit (net loss stated with “-”) | 897,915,243.39 | 913,551,805.51 |
| Net profit attributable to the owners of the Company | 897,915,243.39 | 913,551,805.51 |
| Minority interests | | |

Legal Representative:

Song Zhiping

Chief Accountant:

Chen Xuean

*Head of the Accounting
Department:*

Pei Hongyan

CASH FLOW STATEMENT

For the nine months ended 30 September 2017

Prepared by: China National Building Material Company Limited* *Unit: RMB*

| Item | January to September 2017 | January to September 2016 |
|--|--------------------------------------|--------------------------------------|
| I. Cash flow from operating activities: | | |
| Cash received from product sales and rendering services | – | – |
| Refund of taxes and levies received | – | 405,929.76 |
| Other cash received relating to operating activities | 73,612,516.49 | 62,485,202.31 |
| Sub-total of cash inflow from operating activities | 73,612,516.49 | 62,891,132.07 |
| Cash paid for purchase of goods and receipt of services | – | – |
| Cash paid to and paid for employees | 28,333,754.82 | 27,650,840.78 |
| Taxes and levies paid | 32,053,043.71 | 34,017,664.35 |
| Other cash paid relating to operating activities | 7,872,804,799.25 | 12,820,570,033.79 |
| Sub-total of cash outflow from operating activities | 7,933,191,597.78 | 12,882,238,538.92 |
| Net cash flows from operating activities | -7,859,579,081.29 | -12,819,347,406.85 |

| Item | January to September 2017 | January to September 2016 |
|--|------------------------------|------------------------------|
| II. Cash flows from investing activities: | | |
| Cash received from disposal of investments | – | – |
| Cash received from returns on investments | 377,034,230.85 | 206,698,789.37 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | |
| Net cash received from disposal of subsidiaries and other operating entities | | |
| Other cash received relating to investing activities | | |
| Sub-total of cash inflow from investing activities | 377,034,230.85 | 206,698,789.37 |
| Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets | 2,945,862.00 | 9,757,887.80 |
| Cash paid for investment | 118,000,000.00 | 125,000,000.00 |
| Net cash paid for acquisition of subsidiaries and other operating entities | | |
| Other cash paid relating to investing activities | | |
| Sub-total of cash outflow from investing activities | 120,945,862.00 | 134,757,887.80 |
| Net cash flows from investing activities | 256,088,368.85 | 71,940,901.57 |

| Item | January to September 2017 | January to September 2016 |
|---|------------------------------|---|
| III. Cash flows from financing activities: | | |
| Cash received from investments | | |
| Cash received from borrowings | 60,450,000,000.00 | 53,270,000,000.00 |
| Other cash received relating to financing activities | | |
| Sub-total of cash inflow from financing activities | 60,450,000,000.00 | 53,270,000,000.00 |
| Cash paid for repayments of liabilities | 49,889,442,255.88 | 36,789,177,595.63 |
| Cash paid for dividend and profit distribution or interest repayment | 1,709,221,193.13 | 663,315,044.63 |
| Other cash paid relating to financing activities | 66,403,777.34 | 93,974,094.55 |
| Sub-total of cash outflow from financing activities | 51,665,067,226.35 | 37,546,466,734.81 |
| Net cash flows from financing activities | 8,784,932,773.65 | 15,723,533,265.19 |
| IV. Effect of changes in foreign exchange rates on cash and cash equivalents | | |
| | -19.73 | – |
| V. Net increase in cash and cash equivalents | 1,181,442,041.48 | 2,976,126,759.91 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 324,898,990.56 | 1,673,227,414.31 |
| VI. Balance of cash and cash equivalents at the end of the period | 1,506,341,032.04 | 4,649,354,174.22 |
| <i>Legal Representative:</i> | <i>Chief Accountant:</i> | <i>Head of the Accounting Department:</i> |
| Song Zhiping | Chen Xuean | Pei Hongyan |

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). The financial information in this announcement is prepared in accordance with PRC GAAP and has not been audited. The shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following terms shall have the following meanings unless the context requires otherwise:

| | |
|---|---|
| “Company” | China National Building Material Company Limited* (中國建材股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the H shares of which are listed on The Stock Exchange of Hong Kong Limited |
| “Group” | the Company and its subsidiaries |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China, excluding, for the purpose of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan |
| “PRC GAAP” | the relevant accounting principles and financial regulations as promulgated in the PRC |
| “RMB” | Renminbi yuan, the lawful currency of the PRC |
| “Unified Registration for Debt Financing Instruments (DFI)” | the Unified Registration for Debt Financing Instruments (DFI) filed by the Company in the China interbank bond market for super short-term commercial paper, short-term commercial paper, medium-term debentures and perpetual medium-term debentures in April 2016, issuable according to type and in separate tranches by the Company to financial institutions (save for those prohibited by PRC laws or regulations from subscription) and tradable between such financial institutions in the China interbank bond market. As of the date of this announcement, thirteen tranches have been issued by the Company. |

By order of the Board
China National Building Material Company Limited*
Chang Zhangli
Secretary of the Board

Beijing, the PRC
20 October 2017

As at the date of this announcement, the board of directors of the Company comprises Mr. Song Zhiping, Mr. Cao Jianglin, Mr. Peng Shou, Mr. Cui Xingtai and Mr. Chang Zhangli as executive directors, Mr. Guo Chaomin, Mr. Chen Yongxin and Mr. Tao Zheng as non-executive directors and Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Qian Fengsheng and Ms. Xia Xue as independent non-executive directors.

* For identification purposes only