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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

The Group's unaudited consolidated revenue amounted to RMB50,531.4 million for the six months ended 30 June 2013, representing an increase of approximately 33.2% over the same period of 2012.

The unaudited profit attributable to owners of the Group was RMB1,352.3 million, representing a decrease of approximately 28.9% over the same period of 2012.

Basic earnings per share was approximately RMB0.250, representing a decrease of approximately 28.9% over the same period of 2012.

The Board does not recommend the payment of an interim dividend.

The Board is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2013 prepared in accordance with the IFRS and the Group's consolidated financial position as at 30 June 2013, together with its consolidated results for the six months ended 30 June 2012 and consolidated financial position as at 31 December 2012 for comparison.

The unaudited consolidated financial information of the Group for the six months ended 30 June 2013 have been reviewed by the independent auditor, the Board and the audit committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Note	Six months ended 30 June **2013** *RMB'000* **(unaudited)**	2012 *RMB'000* (unaudited)
Revenue	3	**50,531,401**	37,938,345
Cost of sales		**(38,933,655)**	(29,684,232)
Gross profit		**11,597,746**	8,254,113
Selling and distribution costs		**(2,471,957)**	(1,117,074)
Administrative expenses		**(3,612,916)**	(2,589,096)
Investment and other income	4	**1,527,965**	1,460,885
Finance costs — net	5	**(4,318,363)**	(2,624,198)
Share of profits of associates		**142,270**	169,329
Profit before income tax	6	**2,864,745**	3,553,959
Income tax expenses	7	**(820,628)**	(839,899)
Profit for the period		**2,044,117**	2,714,060
Profit attributable to:			
Owners of the Company		**1,352,262**	1,900,728
Non-controlling interests		**691,855**	813,332
		2,044,117	2,714,060
		RMB	*RMB*
Earnings per share — basic and diluted	9	**0.250**	0.352

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2013

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period	**2,044,117**	2,714,060
Other comprehensive (expense)/income:		
Items that may be reclassified subsequently to profit or loss		
— Currency translation differences	**(21,912)**	11,613
— Changes in the fair value of available-for-sale financial assets	**(15,346)**	(10,532)
— Shares of associates' other comprehensive expense	**(2,562)**	(97)
Total items that may be subsequently reclassified to profit or loss	**(39,820)**	984
Other comprehensive (expense)/income for the period	**(39,820)**	984
Total comprehensive income for the period	**2,004,297**	2,715,044
Total comprehensive income attributable to:		
Owners of the Company	**1,315,749**	1,904,097
Non-controlling interests	**688,548**	810,947
Total comprehensive income for the period	**2,004,297**	2,715,044

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	**30 June 2013** *RMB'000* **(unaudited)**	31 December 2012 *RMB'000* (audited)
Non-current assets			
Property, plant and equipment		**117,770,820**	105,413,739
Prepaid lease payments		**12,753,803**	11,667,731
Investment properties		**316,695**	318,842
Goodwill		**39,234,776**	31,002,443
Intangible assets		**4,223,187**	3,420,644
Interests in associates		**7,343,572**	6,350,167
Available-for-sale financial assets		**512,826**	575,337
Deposits		**7,908,023**	8,409,669
Deferred income tax assets		**2,102,785**	1,764,154
		192,166,487	168,922,726
Current assets			
Inventories		**14,270,701**	12,222,221
Trade and other receivables	10	**48,484,839**	45,611,201
Held-for-trading investments		**168,678**	247,663
Amounts due from related parties		**6,324,003**	5,824,406
Pledged bank deposits		**3,310,042**	3,383,274
Cash and cash equivalents		**11,235,963**	10,222,056
		83,794,226	77,510,821

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

AS AT 30 JUNE 2013

	Note	**30 June 2013 RMB'000 (unaudited)**	31 December 2012 RMB'000 (audited)
Current liabilities			
Trade and other payables	11	**44,982,946**	47,250,608
Amounts due to related parties		**1,999,109**	2,023,967
Borrowings — amount due within one year		**96,834,725**	90,751,945
Obligations under finance leases		**2,082,780**	1,749,899
Current income tax liabilities		**1,627,024**	1,926,978
Dividend payable to non-controlling interests		**1,161,801**	214,366
		148,688,385	143,917,763
Net current liabilities		**(64,894,159)**	(66,406,942)
Total assets less current liabilities		**127,272,328**	102,515,784
Non-current liabilities			
Borrowings - amount due after one year		**72,798,463**	51,864,572
Deferred income		**1,352,424**	1,026,178
Obligations under finance leases		**3,739,583**	3,514,960
Financial guarantee contractss due after one year		**58,695**	60,150
Deferred income tax liabilities		**1,959,201**	1,985,077
		79,908,366	58,450,937
Net assets		**47,363,962**	44,064,847
Capital and reserves			
Share capital		**5,399,026**	5,399,026
Reserves		**25,499,309**	25,097,072
Equity attributable to:			
Owners of the Company		**30,898,335**	30,496,098
Non-controlling interests		**16,465,627**	13,568,749
Total equity		**47,363,962**	44,064,847

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2013

1. GENERAL INFORMATION

China National Building Material Company Limited (the "Company") was established as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 28 March 2005. On 23 March 2006, the Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The registered office and principal place of business of the Company is located at No. A-11 Sanlihe Road, Haidian district, Beijing, the PRC.

The Company's immediate and ultimate holding company is China National Building Material Group Corporation ("Parent"), which is a state-owned enterprise established on 3 January 1984 under the laws of the PRC.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the cement, concrete, lightweight building materials, glass fibre, composite materials and engineering services businesses. Hereinafter, the Company and its subsidiaries are collectively referred to as the "Group".

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), which is the same as functional currency of the Company, unless otherwise stated.

The condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with the applicable disclosure requirement of Appendix 16 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited and with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". This condensed consolidated interim financial information should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2012, which has been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board.

The accounting policies used in this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

(a) New and amended standards adopted by the Group

The following new standards and amendments to IFRSs are mandatory for the first time adoption for the accounting period beginning on 1 January 2013:

IFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 10, IFRS 11 and IFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 13	Fair Value Measurement
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
IFRIC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
IFRSs (Amendments)	Annual Improvements to IFRSs 2009 — 2011 Cycle, except for amendments IAS 1

The adoption of the new and amended standards had no material effect on the amounts reported and disclosures set out in the condensed consolidated interim financial information of the Group for the current or prior accounting periods.

(b) The following new standards and amendments to standards and interpretations have been issued but are not effective for the accounting period beginning on 1 January 2013, and have not been early adopted by the Group:

IFRS 9	Financial Instruments[2]
IFRS 9 and IFRS 7 (Amendments)	Mandatory Effective Date of IFRS 9 and Transition Disclosures[2]
IFRS 10, IFRS 12 and IAS 27 (as revised in 2011) (Amendments)	Investment Entities[1]
IAS 32 (Amendments)	Presentation — Offsetting Financial Assets and Financial Liabilities[1]
IAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
IAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
IFRIC Interpretation – 21	Levies[1]

[1] *Effective for annual periods beginning on or after 1 January 2014.*
[2] *Effective for annual periods beginning on or after 1 January 2015.*

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into six major operating divisions during the period — cement, concrete, lightweight building materials, glass fiber and composite materials, engineering services and others. These activities are the basis on which the Group reports its primary segment information.

The revised segment results for the six months ended 30 June 2012 constitutes a reclassification of concrete business from cement business in order to better reflect the future development of concrete business line of the Group. The change has no impact on reported revenue and profit.

Principal activities are as follows:

Cement	—	Production and sale of cement
Concrete	—	Production and sale of concrete
Lightweight building materials	—	Production and sale of lightweight building materials
Glass fiber and composite materials	—	Production and sale of glass fiber and composite materials
Engineering services	—	Provision of engineering services to glass and cement, manufacturers and equipment procurement
Others	—	Merchandise trading business and others

More than 90% of the Group's operations and assets are located in the PRC for the period ended 30 June 2013 and year ended 31 December 2012.

(a) For the six months ended 30 June 2013:

The segment results for the six months ended 30 June 2013 are as follows:

Unaudited	Cement RMB'000	Concrete RMB'000	Lightweight building materials RMB'000	Glass fiber and composite materials RMB'000	Engineering services RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Revenue								
External sales	30,704,585	10,604,024	3,236,121	833,029	2,277,163	2,876,479	—	50,531,401
Inter-segment sales *(Note)*	1,363,889	—	102	—	493,841	936,709	(2,794,541)	—
	32,068,474	10,604,024	3,236,223	833,029	2,771,004	3,813,188	(2,794,541)	50,531,401
Adjusted EBITDA (unaudited)	7,117,606	1,889,398	758,866	120,133	189,065	124,274	—	10,199,342
Depreciation and amortisation	(2,419,761)	(375,005)	(151,982)	(48,415)	(22,977)	(15,062)	14,306	(3,018,896)
Unallocated other income								(57,426)
Unallocated administrative expenses								(82,182)
Share of profit / (loss) of associates	88,010	—	(498)	46,480	(394)	8,672	—	142,270
Finance costs — net	(2,737,928)	(743,511)	(83,686)	(32,614)	(77,708)	(64,542)	—	(3,739,989)
Unallocated finance costs — net								(578,374)
Profit before income tax								2,864,745
Income tax expenses								(820,628)
Profit for the period (unaudited)								2,044,117

The segment result is disclosed as EBITDA, i.e. the profit earned by each segment without allocation of depreciation and amortisation, other expenses, central administration costs, net finance costs, other income, share of profit/(loss) of associates and income tax expense. This is the measure reported to the management for the purpose of resource allocation and assessment of segment performance. Management views the combination of these measures, in combination with other reported measures, as providing a better understanding for management and investors of the operating results of its business segments for the period under evaluation compared to relying on one of the measures.

(b) As at 30 June 2013:

The segment assets and liabilities as at 30 June 2013 are as follows:

Unaudited	Cement *RMB'000*	Concrete *RMB'000*	Lightweight building materials *RMB'000*	Glass fiber and composite materials *RMB'000*	Engineering services *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
ASSETS								
Segment assets	185,866,357	33,204,295	9,474,196	5,962,540	6,654,947	5,415,118	—	246,577,453
Interests in associates	5,349,456	84,961	138,344	1,662,800	43,516	64,495	—	7,343,572
Unallocated assets								22,039,688
Total consolidated assets (unaudited)								275,960,713
LIABILITIES								
Segment liabilities	148,530,538	13,522,673	4,937,565	4,045,923	6,111,314	4,825,652	—	181,973,665
Unallocated liabilities								46,623,086
Total consolidated liabilities (unaudited)								228,596,751

Segment assets include all tangible, intangible assets and current assets with the exception of other corporate assets. Segment liabilities include trade creditors, borrowings, accruals and bills payable attributable to sales activities of each segment with the exception of corporate expense payables.

(c) For the six months ended 30 June 2012:

The segment results for the six months ended 30 June 2012 are as follows (revised):

Unaudited	Cement *RMB'000*	Concrete *RMB'000*	Lightweight building materials *RMB'000*	Glass fiber and composite materials *RMB'000*	Engineering services *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Revenue								
External sales	26,294,820	2,336,538	2,997,723	1,041,330	2,011,529	3,256,405	—	37,938,345
Inter-segment sales *(Note)*	—	—	—	—	314,487	120,890	(435,377)	—
	26,294,820	2,336,538	2,997,723	1,041,330	2,326,016	3,377,295	(435,377)	37,938,345
Adjusted EBITDA	6,492,571	576,491	562,572	103,056	172,112	76,025	—	7,982,827
Depreciation and amortisation	(1,648,649)	(53,341)	(125,619)	(44,724)	(26,953)	(12,098)	(6,369)	(1,917,753)
Unallocated other income								42,371
Unallocated administrative expenses								(98,617)
Share of profit / (loss) of associates	134,551	—	(244)	36,698	(334)	(1,342)	—	169,329
Finance costs — net	(1,905,151)	(104,033)	(71,288)	(37,894)	(60,203)	(9,160)	—	(2,187,729)
Unallocated finance costs — net								(436,469)
Profit before income tax								3,553,959
Income tax expenses								(839,899)
Profit for the period (unaudited)								2,714,060

(d) As at 31 December 2012:

The segment assets and liabilities as at 31 December 2012 are as follows:

Audited	Cement *RMB'000*	Concrete *RMB'000*	Lightweight building materials *RMB'000*	Glass fiber and composite materials *RMB'000*	Engineering services *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
ASSETS								
Segment assets	169,575,996	25,133,982	8,613,442	5,609,157	5,934,889	4,917,876	—	219,785,342
Interests in associates	4,406,955	—	198,812	1,643,970	41,269	59,161	—	6,350,167
Unallocated assets								20,298,038
Total consolidated assets (audited)								246,433,547
LIABILITIES								
Segment liabilities	132,321,781	12,365,123	4,199,625	3,389,237	5,281,435	3,969,821	—	161,527,022
Unallocated liabilities								40,841,678
Total consolidated liabilities (audited)								202,368,700

Note: The inter-segment sales were carried out with reference to market price.

(e) A reconciliation of total adjusted profit before finance costs, income tax expenses, depreciation and amortisation, is provided as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Adjusted EBITDA for reportable segments	**10,075,068**	7,906,802
Adjusted EBITDA for other segment	**124,274**	76,025
Total segments profit	**10,199,342**	7,982,827
Depreciation of property, plant and equipment	**(2,736,525)**	(1,708,078)
Amortisation of intangible assets	**(138,282)**	(110,605)
Prepaid lease payments released to the condensed consolidated income statement	**(144,089)**	(99,070)
Corporate items	**(139,608)**	(56,246)
Operating profit	**7,040,838**	6,008,828
Finance costs — net	**(4,318,363)**	(2,624,198)
Share of profit of associates	**142,270**	169,329
Profit before income tax	**2,864,745**	3,553,959

4. INVESTMENT AND OTHER INCOME

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other investments income	**2,293**	100
Changes in fair value of held-for-trading investments	**(78,985)**	131,051
Financial guarantee income	**—**	158
Government subsidies		
VAT refunds *(Note a)*	**738,994**	611,741
Government grants *(Note b)*	**619,441**	539,819
Interest subsidies	**11,227**	2,019
Net rental income	**74,095**	22,225
Discount on acquisition of interests in subsidiaries	**476**	4,270
Gain on disposal of other investments	**11,378**	1,657
Gain on disposal of associates	**8,097**	—
Claims received	**7,445**	7,413
Waiver of payables	**3,776**	108,771
Others	**129,728**	31,661
	1,527,965	1,460,885

Notes:

(a) *The State Council of the PRC issued a "Notice Encouraging Comprehensive Utilisation of Natural Resources" (the "Notice") in 1996 to encourage and support enterprises, through incentive policies, to comprehensively utilise natural resources. Pursuant to the Notice, the Ministry of Finance and the State Administration of Taxation of the PRC enacted several regulations providing incentives in form of VAT refund for certain environmentally friendly products, including products that utilise industrial waste as part of their raw materials. Under the Notice and such regulations, the Group is entitled to receive immediate or future refund on any paid VAT with respect to any eligible products as income after it receives approvals from the relevant government authorities.*

(b) *Government grants are awarded to the Group by the local government agencies as incentives primarily to encourage the development of the Group and the contribution to the local economic development.*

5. FINANCE COSTS — NET

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses on bank borrowings:		
— wholly repayable within five years	**3,372,290**	2,734,585
— not wholly repayable within five years	**64,985**	69,620
	3,437,275	2,804,205
Interest expenses on bonds, other borrowings and finance leases	**1,347,124**	245,494
Less: Interest capitalised to construction in progress	**(163,115)**	(149,170)
	4,621,284	2,900,529
Interest income:		
— interest on bank deposits	**(142,546)**	(124,795)
— interest on loans receivable	**(160,375)**	(151,536)
	(302,921)	(276,331)
Finance costs — net	**4,318,363**	2,624,198

6. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	**2,737,257**	1,708,079
Depreciation of investment properties	**4,587**	3,915
Amortisation of intangible assets	**138,282**	110,605
Prepaid lease payments released to condensed consolidated income statement	**144,089**	99,070
Allowance for bad and doubtful debts	**192,373**	150,251
Write down of inventories	**—**	4,878
Impairment loss on property, plant and equipment	**—**	4,604
Staff costs	**3,967,598**	2,378,366
Net exchange gain	**(23,061)**	(8,947)

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current income tax	**1,222,038**	1,084,377
Deferred income tax	**(401,410)**	(244,478)
	820,628	839,899

PRC income tax is calculated at 25% (2012: 25%) of the estimated assessable profit of the Group as determined in accordance with relevant tax rules and regulations in the PRC, except for certain subsidiaries of the Company, which are exempted or taxed at preferential rate of 15% entitled by the subsidiaries in accordance with relevant tax rules and regulations in the PRC or approvals obtained by the tax bureaus in the PRC.

8. DIVIDENDS

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividends	**836,849**	1,160,791

During the period, a dividend amounting to approximately RMB836.85 million (Six months ended 30 June 2012: approximately RMB1,160.79 million) was announced as the final dividend for the immediate preceding financial year end.

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit attributable to owners of the Company	**1,352,262**	1,900,728

	Six months ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
Weighted average number of ordinary shares at 30 June	**5,399,026,262**	5,399,026,262

No diluted earnings per share have been presented as the Group did not have any dilutive potential ordinary shares outstanding during both periods.

10. TRADE AND OTHER RECEIVABLES

	30 June 2013	31 December 2012
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables, net of allowance for bad and doubtful debts	**22,661,172**	20,116,046
Bills receivable	**3,733,135**	6,134,407
Amounts due from customers for contract work	**802,518**	379,937
Prepaid lease payments	**287,738**	247,370
Other receivables, deposits and prepayments	**21,000,276**	18,733,441
	48,484,839	45,611,201

The Group normally allowed an average of credit period of 60 to 180 days to its trade customers. Ageing analysis of trade receivables are as follows:

	30 June 2013	31 December 2012
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within two months	**7,157,062**	8,178,120
More than two months but within one year	**11,839,162**	9,361,932
Between one and two years	**2,944,753**	2,226,311
Between two and three years	**617,485**	203,189
Over three years	**102,710**	146,494
	22,661,172	20,116,046

The carrying amounts of trade and other receivables approximate to their fair values. Bills receivable is aged within six months.

11. TRADE AND OTHER PAYABLES

	30 June 2013 RMB'000 (unaudited)	31 December 2012 RMB'000 (audited)
Trade payables	**17,584,814**	17,339,831
Bills payable	**6,372,966**	5,816,210
Amounts due to customers for contract work	**213,867**	149,408
Other payables	**20,811,299**	23,945,159
	44,982,946	47,250,608

The aged analyses of trade payables are as follows:

	30 June 2013 RMB'000 (unaudited)	31 December 2012 RMB'000 (audited)
Trade payables		
Within two months	**6,409,365**	7,865,398
More than two months but within one year	**8,579,313**	7,032,522
Between one and two years	**1,661,239**	1,825,741
Between two and three years	**595,036**	339,739
Over three years	**339,861**	276,431
	17,584,814	17,339,831

The carrying amounts of trade and other payables approximate to their fair values. Bills payable is aged within six months.

BUSINESS REVIEW AND OUTLOOK

BUSINESS HEADLINES

The summary of major operating data of each segment of the Group for the six months ended 30 June 2013 and 30 June 2012 is set out below:

CEMENT SEGMENT

China United

	For the six months ended 30 June	
	2013	2012
Production volume-cement *(in thousand tonnes)*	**22,030**	18,860
Production volume-clinker *(in thousand tonnes)*	**24,080**	20,490
Sales volume-cement *(in thousand tonnes)*	**19,542**	18,820
Sales volume-clinker *(in thousand tonnes)*	**11,040**	9,280
Unit selling price-cement *(RMB per tonne)*	**247.1**	271.8
Unit selling price-clinker *(RMB per tonne)*	**221.7**	249.4
Sales volume-commercial concrete *(in thousand m^3)*	**12,810**	3,520
Unit selling price-commercial concrete *(RMB per m^3)*	**299.1**	327.0

South Cement

	For the six months ended 30 June	
	2013	2012
Production volume-cement *(in thousand tonnes)*	**43,201**	32,373
Production volume-clinker *(in thousand tonnes)*	**40,022**	34,191
Sales volume-cement *(in thousand tonnes)*	**41,122**	31,948
Sales volume-clinker *(in thousand tonnes)*	**10,750**	13,574
Unit selling price-cement *(RMB per tonne)*	**247.5**	280.8
Unit selling price-clinker *(RMB per tonne)*	**213.4**	259.9
Sales volume-commercial concrete *(in thousand m^3)*	**21,133**	3,268
Unit selling price-commercial concrete *(RMB per m^3)*	**299.8**	326.4

North Cement

	For the six months ended 30 June	
	2013	2012
Production volume-cement *(in thousand tonnes)*	**5,325**	6,259
Production volume-clinker *(in thousand tonnes)*	**7,135**	8,668
Sales volume-cement *(in thousand tonnes)*	**5,267**	5,879
Sales volume-clinker *(in thousand tonnes)*	**2,813**	3,153
Unit selling price-cement *(RMB per tonne)*	**336.0**	374.2
Unit selling price-clinker *(RMB per tonne)*	**283.9**	316.0
Sales volume-commercial concrete *(in thousand m^3)*	**323**	169
Unit selling price-commercial concrete *(RMB per m^3)*	**389.1**	330.1

Southwest Cement

	For the six months ended 30 June	
	2013	2012
Production volume-cement *(in thousand tonnes)*	**31,498**	11,730
Production volume-clinker *(in thousand tonnes)*	**24,231**	9,100
Sales volume-cement *(in thousand tonnes)*	**30,434**	11,855
Sales volume-clinker *(in thousand tonnes)*	**2,468**	922
Unit selling price-cement *(RMB per tonne)*	**250.6**	247.0
Unit selling price-clinker *(RMB per tonne)*	**223.5**	225.0
Sales volume-commercial concrete *(in thousand m^3)*	**488**	
Unit selling price-commercial concrete *(RMB per m^3)*	**290.0**	

LIGHTWEIGHT BUILDING MATERIALS SEGMENT

	For the six months ended 30 June	
	2013	2012
Gypsum boards - BNBM		
Production volume *(in million m^2)*	**87.5**	63.9
Sales volume *(in million m^2)*	**89.4**	70.8
Average unit selling price *(RMB per m^2)*	**7.04**	7.13
Gypsum boards - Taishan Gypsum		
Production volume *(in million m^2)*	**439.1**	386.8
Sales volume *(in million m^2)*	**437.4**	390.6
Average unit selling price *(RMB per m^2)*	**4.85**	4.92

GLASS FIBRE AND COMPOSITE MATERIALS SEGMENT

	For the six months ended 30 June	
	2013	2012
Rotor blade		
Production volume *(in number of blade)*	**1,254**	1,433
Sales volume *(in number of blade)*	**1,174**	1,577
Average unit selling price *(RMB per blade)*	**382,300**	364,400

REVIEW FOR THE FIRST HALF OF THE YEAR

Industry Development Summary and Business Review

In the first half of 2013, faced with the complicated economic environment at home and abroad, the central government of the PRC have committed to the general tone of making progress while ensuring stability, centred on improving the quality and efficiency of economic growth and continued to carry out the proactive fiscal policy and prudent monetary policy. As a result, the national economy remained stable, where structural adjustments saw progress amidst stability and transformation and upgrading remained stable but improved in quality. Compared with the same period last year, China's GDP increased by 7.6%, the total investment in fixed assets grew by 20.1% and the total investment in real-estate development increased by 20.3%. The production in the building materials industry remained stable and the growth rate of the output edged up, while cement and other traditional building materials products suffered overcapacity and the decline of profitability. (Sources: NBS and MIIT).

Confronted with the complicated market context, the Group remained confident and conscientiously implemented the requirements of "preparation, meticulosity, refinement, solidity", adhered to the "PCP" business ideology and the prioritisation of performance, monitored its KPI carefully, refined measures, resolved dilemmas and overcame challenges. It upheld the target of "integration and optimisation, profit raising and debt ratio reduction" closely, and strived for management enhancement, cost reduction and profit increasing, consolidation and restructuring, market share step up, capital operations as well as debt ratio reduction. In the first half of the year, the revenue and the sales of major products continued to grow. Compared with the same period last year, the Group's revenue increased by 33.2% to RMB50,531 million, the sales volume of cement and clinker increased by 30.3% to 124.4 million tonnes, the sales volume of commercial concrete grew by 408.4% to 35.4 million m^3 and the sales volume of gypsum board increased by 14.2% to 527 million m^2. Profit attributable to equity holders of the Group decreased by 28.9% to RMB1,352 million year on year.

CEMENT SEGMENT

Review of the cement industry in the PRC in the first half of 2013

In the first half of 2013, the demand for cement grew steadily. The national production of cement was 1,096 million tonnes in total, increased by 9.67% year on year. However, serious overcapacity in the cement industry resulted in the decline of product price.

The central government of the PRC was highly concerned about the problem of overcapacity, and regarded the resolution of the overcapacity problem in cement and other industries as one of the key economic initiatives for the year. In May 2013, the NDRC and the MIIT jointly issued the "Notice about the Determination to Suppress Unchecked Expansion of Industries with Severe Excess Capacity" (《關於堅決遏制產能嚴重過剩行業盲目擴張的通知》), requiring the cement and other industries with severe overcapacity to firmly curb unchecked expansion, prohibiting any approval of new capacity projects and stopping any project under construction if any licence has not been obtained or has been obtained without proper authorisation. In the first half of 2013, the additional production capacity of clinkers dropped by more than 50% year on year to 38.84 million tonnes. The amount of investment in fixed assets in the cement industry continued to decline and dropped by 9.45% year on year. (Sources: NBS, NDRC, MIIT and Cement Association of China (中國水泥協會))

Review of the cement segment of the Group in the first half of 2013

Faced with opportunities and challenges brought by China's economic transformation, the cement segment of the Group responded positively by timely adjusting its business idea, changing the business principle and goal to "being strong and excellent" and shifting its focus from consolidation and restructuring to management enhancement, cost reduction and profit growth. The Group adhered to its "PCP" business ideology, strictly implemented the benchmark management based on KPI and the counselor system, firmly adhered to the approach of sales-driven production, strengthened its marketing. In addition, it promoted the integration and optimisation of organisational structure according to the principle of "simplified organisation and capable personnel", initiated management enhancement, further promoted the "Five C" with delicacy management and lean production, strictly monitored the three main expenses item, and reduced energy consumption and production cost. Furthermore, it consolidated and optimised core profit-generating regions and optimised the layout to create positive market synergy between the cement and commercial concrete businesses, thereby increasing its control over the terminal markets and enhancing the enterprise profits.

China United

China United strived to overcome the unfavourable factors such as regional overcapacity and weak market demand by adhering to the "PCP" business ideology, the prioritisation of performance, the sales-driven production approach and scientifically organising production activities scientifically. It also continued to strengthen its marketing, leveraged the synergy between the cement and commercial concrete businesses efficiently and vigorously developed the market for high-grade and special cements, and strived to improve its market competitiveness and profitability.

China United further proceeded with management enhancement, strengthened its benchmark management, tapped into internal potentials, optimised its benchmark control and further enhanced the capability of delicacy management. It continued to push forward technical renovation, reduce ancillary materials costs, energy consumption and maintenance fees, promoted centralised procurement and standardised procurement process to achieve cost reduction and profit growth. For the commercial concrete business, it enforced management integration, strengthened the management of production site and the cost control to achieve continuous enhancement of the operational management standard. It effectively strengthened its efforts on recovering receivables to guard against capital risks.

China United concentrated on the core profit-generating regions to optimise the consolidation and restructuring of the cement and commercial concrete businesses and further increased the market shares in its core profit-generating regions.

South Cement

To cope with the challenging conditions arising from intensified overcapacity in the region, South Cement adhered to the "PCP" business ideology, strengthened its marketing efforts, further categorised its markets and increased its core market shares and the rate of winning bids for key projects. It introduced market integration through multiple channels, arranged production in a rational manner which resulted in an orderly supply of clinkers and maintained an overall balance of supply and demand in the regional market.

South Cement further engaged in management enhancement by adhering to the principles of cost reduction and profit growth. By fully leveraging its advantage of centralised procurement, the procurement cost was reduced. It also strengthened its operational management and technical reformation to strictly control the production cost. Furthermore, according to the principle of "simplified organisation and capable personnel", it optimised its organisational structure by integrating the 7 regional companies in Jiangsu, Zhejiang, Shanghai and Anhui into 2 companies, namely Shanghai South Cement and Zhejiang South Cement. In this way, the management positions of the enterprise were merged while the positions were optimised, thereby enhancing management efficiency and reducing management expenses and labour costs. It further implemented the "Five C" management concept in a comprehensive manner, enhanced the standard of delicacy management, strengthened the management of receivables by examining the collection of receivables regularly.

Centred on the core profit-generating regions, South Cement optimised the consolidation and restructuring of the cement and commercial concrete businesses and the production chain layout in a bid to reinforce and improve its regional market control and competitiveness continuously. It accelerated the integration of regional resources and the benefits of integrating the mining resources were manifesting. It also advanced the construction of ancillary facilities for sandstone and concrete aggregate stations to improve the competitiveness of the commercial concrete business system.

North Cement

Confronted with the regional overcapacity and severe weak market demand, North Cement firmly adhered to the implementation of the "PCP" business ideology and sales-driven production approach, aiming to promote the sound development of the industry.

North Cement strived to improve its performance by strengthening the performance assessment and benchmark management with KPI as the core. It pushed forward management enhancement vigorously, conscientiously implemented the "Five C", delicacy management and lean production, strengthened technological innovation and technical reformation and actively promoted the use of energy-saving substitutes to replace raw materials to save expenses and reduce consumption.

North Cement continued to improve its abilities to provide amenities to support its cement grinding stations by consolidating and restructuring the cement business through matching kilns with mills in the core profit-generating regions. It also promoted the consolidation and restructuring of the commercial concrete business in the core profit-generating regions prudently to optimise the production chain and the strategic layout.

Southwest Cement

Southwest Cement orderly pushed forward on the consolidation and restructuring of the cement business in the core profit-generating regions according to its planned development strategy. As at 30 June 2013, the total cement production capacity reached 107 million tonnes and its regional market share and controlling power continued to improve.

Confronted with severe regional overcapacity of cement, Southwest Cement proactively responded by adhering to the "PCP" business ideology and facilitating the rational rebound of the cement price to continuously improve the enterprise's profitability. It refined its management of marketing performance, strengthened the assessment of key indicators such as cost, price, sale and receivables. The sales channels were also integrated for solidification and stabilisation.

Southwest Cement gradually shifted its focus from consolidation and restructuring to management integration. It promoted the comprehensive integration and optimisation of organisational structure by launching the "Three Formulations" concept steadily. Consequently, the completion rate of the formulation of staffing was 100%. It steadily pushed forward management enhancement by implementing centralised procurement and promoting fuel and raw material substitution to significantly reduce the procurement cost, promoted technological upgrading and benchmark optimisation, continued to improve the production efficiency, which led to outstanding results of cost reduction and profit growth. It also further deepened its financial management thereby enhancing the standard of capital and financing management.

LIGHTWEIGHT BUILDING MATERIALS SEGMENT

Review of the Group's lightweight building materials business in the first half of 2013

BNBM persisted on strengthening its main business, deepened its focusing strategy on the gypsum board business. As a result, Dragon and Taishan Gypsum recorded steady growth in sales. The competitiveness of the enterprise continuously increased with stronger profitability.

BNBM upheld the strategy of seizing the prominent position and put increasing efforts on marketing. It continued its strategic cooperation with major customers and strengthened its leading position in the industry with record brand value. While continuing to enhance its competitiveness in bids for commercial landmarks and key projects, BNBM also diversified its marketing channels and tapped into the residential housing market.

BNBM made great endeavours to management enhancement, optimise its organisational structure and enhance its overall operational efficiency and profitability. It implemented the cost and expense saving plan in a comprehensive manner and made efforts to reduce procurement costs by fully utilising its advantages in centralised procurement and insisting on procurement through bidding.

GLASS FIBRE AND COMPOSITE MATERIALS SEGMENTS

Review of the Group's composite materials business in the first half of 2013

China Composites overcame the adverse influence of weak demand and overcapacity in the wind power industry, and allocated resources reasonably based on the market demand. By utilising an appropriate layout of the production base, it secured production and supply in the key regions. It made great efforts on expanding the market, with a focus on developing new customer base at home and abroad to increase market shares and to secure its leading position in the industry. It actively pushed forward management enhancement and technological innovation to reduce the production cost of rotor blades. The carbon fibre production and application project was progressing smoothly with several technical problems resolved.

Review of the Group's glass fibre business in the first half of 2013

China Fiberglass continued to push forward the structural adjustment and transformation of its development mode. By reasonably planning the production layout for competitive products, it effectively enhanced production centralisation and product quality stability. Through strengthened marketing, it had basically maintained the balance of production and sales. It also strengthened its management enhancement, internal control and supervision to reduce operational risks. Based on delicacy management, it innovated the management mode, streamlined the management procedure, and reduced management cost, through which it realised cost reduction and profit growth and thus enhanced competitiveness.

It steadily implemented the "going out" strategy. The main construction of the project of an alkali-free glass fibre pool kiln wiredrawing production line with an annual capacity of 80,000 tonnes in Egypt was basically completed.

ENGINEERING SERVICES SEGMENT

Review of the Group's engineering services business in the first half of 2013

China Triumph actively carried out marketing campaigns in respect of key engineering technologies of glass, cement and new energy and vigorously implemented the strategy of "going out" to lead further industry upgrade and to make the core technologies engineering-oriented, up to international standards and equipment-based. It expedited the production of high-end equipments and continued to raise the added value and the overall profitability of the engineering services. On the other hand, it promoted green industry by actively expanding the innovative development and use of nitrogen oxide emission reduction and residual heat electricity generation. It insisted on the combination of independent innovation and integrated innovation and strengthened its potential for further development. Centering on management improvement and cost and expense reduction, it continued to explore its potential to reduce costs and increase profits.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

Looking into the second half of 2013, the building materials industry faces both challenges and opportunities. Domestic economic growth is still under downside pressure, and the problem of overcapacity in the manufacturing industry remains unresolved. The central government of the PRC will remain committed to making progress while maintaining stability. Focusing on the improvement of the quality and efficiency of economic development, the central government of the PRC will carry out timely and appropriate pre-adjustment and fine-tuning, coordinate steady growth, structural adjustment and reform enhancement, and implement a proactive fiscal policy and a prudent monetary policy to strengthen the financial support to the real economy. Overall, the national economy will remain stable. Firstly, the new-type urbanisation will bring about long-term steady demand for building materials products. Secondly, since the completion rates for investment in infrastructure construction were relatively low in the first half of the year, it is expected that the construction of railways, urban railways, highways and urban pipeline networks and the renovation of shanty towns will be accelerated. In addition, the building materials industry will enter into the traditional peak season in the second half of the year, which means that the market demand will continue to improve.

To address the issue of excessive production capacity in the traditional manufacturing industry, the central government of the PRC will issue a general scheme to resolve this problem. Through consumption, transference, integration and elimination of some excessive production capacity, the central government of the PRC is determined to sternly curb excessive capacity and optimise inventory. Meanwhile, the central government of the PRC has proposed to accomplish the task of eliminating the outdated production capacity one year ahead of the schedule in the key industries such as cement under the "Twelfth Five-year Plan". Besides, it has also proposed to expedite the adjustment in the industry structure and encourage the merger and restructuring in the industries with excessive capacity, such as the cement industry, by offering financial support to enterprises engaged in consolidating industries with overcapacity. Those measures will improve the dynamics of supply and demand in the market of building materials products such as cement, and push the industry towards sound development.

Committed to the targets of "integration and optimisation, profit raising and debt ratio reduction", the Group will adhere to the "PCP" business ideology, reinforce its marketing activities and intensify management enhancement, cost reduction and profit growth. Under the principle of "simplified organisation and capable personnel", it will steadily promote structural optimisation and delicacy management to enhance operational efficiency and management standard. It will also strictly control capital expenditures and seek to reduce debt ratio to optimise its capital structure.

CEMENT SEGMENT

The cement segment of the Group will adhere to the business ideology of "PCP" and take performance as its top priority, pay close attention to KPI and carefully implement detailed marketing plans to raise enterprise profitability and promote coordinated development of the industry. With a focus on integration and optimisation, it will deepen management enhancement and optimise organisational structure to raise operational efficiency and push forward delicacy management to reduce costs and increase profits. It will strictly control capital expenditure and carry out the consolidation and restructuring of cement and commercial concrete businesses in the core profit-generating regions and improve the ability to provide the amenities to support cement grinding stations. Through optimisating the layout of the industry chain, it will achieve economies of scale after establishing an effective interactive scheme between the markets of cement and commercial concrete.

China United

China United will firmly implement the business ideology of "PCP" and adjust its sales structure of products to improve its marketing performance. It will also enhance management with an aim to further develop the benchmark and delicacy management, so as to strictly reduce costs and consumption. Meanwhile, China United will adhere to centralised procurement to lower its procurement cost and fully implement its cost and expense saving plan. Practical and effective measures will be adopted to enhance the management of receivables. It will also promote the integration of management on commercial concrete business in order to improve its profitability.

South Cement

South Cement will firmly implement the business ideology of "PCP" through reinforcing marketing activities to increase its market shares. Based on the theme of management enhancement as well as cost reduction and profit growth, it will strengthen performance benchmarking, procurement management and receivables management. Meanwhile, South Cement will simplify its organisational structure to implement its cost and expense saving plan. It will further strengthen and refine its establishments in the core profit-generating regions, put efforts on the synergistic development of the cement and commercial concrete businesses in order to comprehensively improve its competitiveness and profitability.

North Cement

North Cement will firmly implement the business ideology of "PCP" and sales-driven production approach to facilitate rational regression of prices. It will continue to enhance management and reinforce management integration in an effort to improve the management efficiency. Centralised procurement will also be adopted to reduce the procurement costs. It will fully implement its cost and expense saving plan to reduce costs and increase profits.

Southwest Cement

Southwest Cement will firmly implement the business ideology of "PCP" through unswerving management on marketing to facilitate rational regression of prices. It will continue to push forward management enhancement through enhancing the procurement management and production control. Meanwhile, it will continue to develop the substitution for raw materials and fuel as well as composite materials, fully implement its cost and expense saving plan so as to reduce costs and increase profits continuously. It will accelerate its establishments in the core profit-generating regions to steadily increase its market shares and to improve its enterprise profitability.

LIGHTWEIGHT BUILDING MATERIALS SEGMENT

Marketing and channel development will be reinforced so as to further improve the brand value. Management integration and enhancement will be comprehensively promoted in the segment. Through the reduction in investment cost and the unit consumption of products by means of innovation and upgrade of technology as well as cost reduction and profit growth, the core competitiveness and profitability will be increased. Focus will be put on the expansion of new housing business and new residential housing market in the rural areas.

GLASS FIBRE AND COMPOSITE MATERIALS SEGMENTS

Composite materials business

China Composites will put unwavering efforts on expanding and strengthening the main business, closely monitor the market demand, accelerate the development of new products to improve the design capability for blade structures. It will further reinforce development on new clients and overseas markets to maintain market shares. It will also promote the high-end development of national carbon fibre. Management enhancement will be further pushed forward for cost reduction and profit growth.

Glass fibre business

With the opportunity arisen from the furnace's cold repairing period in the global glass fibre industry, China Fiberglass will scientifically arrange production and proactively engage in marketing activities so as to increase product prices. It will accelerate the introduction of the strategy of focusing on high-end products by means of adjusting the product structure and increasing the added-value of the products. Furthermore, it will steadily push forward the expansion and technology upgrade of domestic projects, while endeavour to make good preparation of the production of the project in Egypt to improve the investment quality of projects and construction quality of overseas projects.

ENGINEERING SERVICES SEGMENT

Following the trends of industry upgrade and transformation in the industry, China Triumph will adhere to technological innovation and expedite its exploration on the market of environmental protection and energy saving to achieve the accelerated transformation to emerging industries. It will further develop the integration of production and research, strengthen the capabilities and refine the system of independent innovation to achieve innovation breakthrough in the technology domains of glass, cement and new energy and carry forward technology upgrade in engineering services and equipments.

MATERIAL TRANSACTIONS

The Company did not have any material transactions during the Reporting Period.

INTERIM DIVIDEND

The Board did not recommend payment of any interim dividend for the six months ended 30 June 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

For the six months ended 30 June 2013, neither the Company nor its subsidiaries purchased, sold or redeemed any securities of the Company ("securities" shall have the meaning as defined in the Listing Rules).

CORPORATE GOVERNANCE CODE

For the six months ended 30 June 2013, the Board is not aware of any information which would indicate that the Company did not comply with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules.

SPECIAL COMMITTEES UNDER THE BOARD

THE STRATEGIC STEERING COMMITTEE

The Company has established a strategic steering committee which comprises three Directors, including two executive Directors and one independent non-executive Director. The strategic steering committee is responsible for studying and reviewing the Company's operation objectives and long-term development strategies, business and organisation development proposals, major investing and financing plans and other material matters that will affect the development of the Company; supervising and inspecting the implementation of the annual operation plan and investing plans under the authorisation of the Board; and making recommendations to the Board. During the Reporting Period, the strategic steering committee has reviewed the significant events of the Company in 2012 and the major activities of consolidation and restructuring and capital operation in 2013.

NOMINATION COMMITTEE

The Company has established a nomination committee which comprises three Directors, including two independent non-executive Directors and one executive Director. The terms of reference adopted by the nomination committee are in compliance with the provisions of the Code. The nomination committee is responsible for, among other things, the annual review of the structure, size and composition of the Board (in terms of techniques, knowledge and experience), providing recommendations to the Board in respect of any adjustments to be made in accordance with the Company's strategies and examining the selection criteria and procedures for Directors and senior management. During the Reporting Period, the nomination committee has reviewed the structure, size and composition of the Board and the special committees as well as the independence of the independent non-executive Directors.

REMUNERATION AND PERFORMANCE APPRAISAL COMMITTEE

The Company has established a remuneration and performance appraisal committee which comprises three Directors, including two independent non-executive Directors and one executive Director. The terms of reference adopted by the remuneration and performance appraisal committee are in compliance with the provisions of the Code. The remuneration and performance appraisal committee is responsible for recommending the specific remuneration and reviewing the performance of the Directors and senior management, based on the remuneration and performance appraisal management policies and framework pertaining to Directors and senior management which have been formulated by the Board. During the Reporting Period, the remuneration and performance appraisal committee has considered the adjustments to the Directors' remuneration and remuneration proposals for senior management for 2012.

AUDIT COMMITTEE

The Company has established the audit committee. The audit committee of the Company comprises two non-executive independent Directors, with appropriate professional qualification or accounting or related financial management experience, and one non-executive Director. The terms of reference adopted by the audit committee are in compliance with the provisions of the Code. The principal duties of the audit committee include reviewing the Company's financial reporting procedures, internal control and risk management. As at the date of this announcement, the audit committee has reviewed the appointment of auditors of the Company in 2013, the 2012 annual report and the 2013 interim report of the Company.

MODEL CODE

The Company has adopted a set of code of practice on terms no less exacting than the standards required in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code"). Having made specific enquiries with all Directors of the Company, the Company confirms that all the Directors have complied with the required standards regarding securities transactions by Directors set out in the Model Code and Code for Securities Transactions of China National Building Material Company Limited during the Reporting Period.

DEFINITIONS

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

"BNBM"	北新集團建材股份有限公司(Beijing New Building Material Public Limited Company)
"Board"	the board of directors of the Company
"China Composites"	中國複合材料集團有限公司(China Composites Group Corporation Limited)
"China Fiberglass"	中國玻纖股份有限公司(China Fiberglass Co., Ltd.)
"China Triumph"	中國建材國際工程集團有限公司(China Triumph International Engineering Company Limited)

"China United"	中國聯合水泥集團有限公司(China United Cement Corporation)
"Company" or "CNBM"	中國建材股份有限公司(China National Building Material Company Limited)
"Director(s)"	the director(s) of the Company
"Five C"	marketing centralisation, procurement centralisation, financial centralisation, technical centralisation and investment decision-making centralisation
"GDP"	gross domestic product
"Group", "we" and "us"	the Company and, except where the context otherwise requires, all its subsidiaries
"H Share(s)"	the overseas listed foreign shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK$
"HK$"	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
"IFRS"	International Financial Reporting Standards
"KPI"	Key performance index
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"MIIT"	中華人民共和國工業和信息化部(Ministry of Industry and Information Technology of the PRC)
"NBS"	中國國家統計局(National Bureau of Statistics of China)
"NDRC"	中華人民共和國國家發展和改革委員會(National Development and Reform Commission of the PRC)
"North Cement"	北方水泥有限公司(North Cement Company Limited)

"PCP"	PCP, Price-Cost-Profit
"PRC"	the People's Republic of China
"Reporting Period"	the period from 1 January 2013 to 30 June 2013
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC
"Shanghai South Cement"	上海南方水泥有限公司(Shanghai South Cement Company Limited)
"Share(s)"	ordinary shares of the Company with a nominal value of RMB1.00 each, comprising both Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of Share(s)
"South Cement"	南方水泥有限公司(South Cement Company Limited)
"State", "state" or "PRC Government"	the government of the PRC including all political subdivisions (in-cluding provincial, municipal and other regional or local government entities) and instrumentalities thereof
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Taishan Gypsum"	泰山石膏股份有限公司(Taishan Gypsum Company Limited)
"Three Formulations"	Formulation of functions, formulation of structure and formulation of staffing
"Zhejiang South Cement"	浙江南方水泥有限公司(Zhejiang South Cement Company Limited)
"preparation, meticulosity, refinement, solidity"	making deployment of operation in advance, implementing plans and accomplishing goals as early as possible; further refining objectives and measures, and formulating specific strategies based on the markets and features; advancing management enhancement, meticulous organisation and delicacy management to improve quality and profitability; working solidly with sound dedication to enhance the basis for development and strengthen foundation

By Order of the Board
China National Building Material Company Limited
Song Zhiping
Chairman of the Board

Beijing, the PRC
23 August 2013

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. Huang Anzhong and Ms. Cui Lijun as non-executive directors, and Mr. Qiao Longde, Mr. Li Decheng, Mr. Ma Zhongzhi, Mr. Shin Fang and Mr. Wu Liansheng as independent non-executive directors.

* *For identification only*