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 of its members)

(Stock Code: 3323)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

The Group's unaudited revenue amounted to RMB112,164 million for the six months ended 30 June 2019, representing an increase of 17.8% as compared to the same period of 2018.

The unaudited profit attributable to owners of the Group was RMB5,767 million, representing an increase of 51.3% as compared to the same period of 2018.

Basic earnings per share was RMB0.684, representing an increase of 51.3% as compared to the same period of 2018. The Board does not recommend the payment of an interim dividend.

The Board of the Company announces the unaudited consolidated results of the Group for the six months ended 30 June 2019 and the Group's consolidated financial position as of 30 June 2019, together with its consolidated results for the six months ended 30 June 2018 and consolidated financial position as of 31 December 2018 for comparison.

The unaudited consolidated financial information of the Group for the six months ended 30 June 2019 has been reviewed by the independent auditor, the Board and the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Note	**Six months ended 30 June 2019** *RMB'000* **(unaudited)**	2018 *RMB'000* (restated) (unaudited)
Revenue	3	**112,163,609**	95,242,045
Cost of sales		**(78,804,350)**	(66,723,419)
Gross profit		**33,359,259**	28,518,626
Investment and other income, net	4	**2,098,402**	20,366
Selling and distribution costs		**(5,708,025)**	(5,260,671)
Administrative expenses		**(13,456,514)**	(9,493,859)
Finance costs, net	5	**(4,667,181)**	(5,456,401)
Share of profits of associates		**1,034,997**	886,068
Share of (losses)/profits of joint ventures		**(401)**	592
Profit before income tax	6	**12,660,537**	9,214,721
Income tax expense	7	**(3,846,058)**	(2,467,816)
Profit for the period		**8,814,479**	6,746,905
Profit attributable to:			
Owners of the Company		**5,767,470**	3,811,771
Holders of perpetual capital instruments		**591,168**	447,287
Non-controlling interests		**2,455,841**	2,487,847
Profit for the period		**8,814,479**	6,746,905
		RMB	***RMB***
Earnings per share – basic and diluted	9	**0.684**	0.452

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Profit for the period	**8,814,479**	6,746,905
Other comprehensive income/(expense), net of tax:		
Items that will not be reclassified to profit or loss		
Actuarial loss on defined benefit obligations	**(1,700)**	(499)
Changes in the fair value of equity instruments at fair value through other comprehensive income, net	**325**	(6,647)
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**81,080**	(25,983)
Share of associates' other comprehensive (expense)/income	**(8,067)**	12,288
Share of joint ventures' other comprehensive expense	**(618)**	(480)
Other comprehensive income/(expense) for the period, net of tax	**71,020**	(21,321)
Total comprehensive income for the period	**8,885,499**	6,725,584
Total comprehensive income attributable to:		
Owners of the Company	**5,833,736**	3,802,506
Holders of perpetual capital instruments	**591,168**	447,287
Non-controlling interests	**2,460,595**	2,475,791
Total comprehensive income for the period	**8,885,499**	6,725,584

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	**30 June 2019** **RMB'000** **(unaudited)**	31 December 2018 *RMB'000* (restated) (unaudited)
Non-current assets			
Property, plant and equipment		**167,068,810**	175,501,016
Right-of-use assets		**31,880,209**	–
Prepaid lease payments		**–**	19,297,185
Investment properties		**933,146**	900,283
Goodwill		**42,693,760**	43,657,580
Intangible assets		**9,729,749**	9,439,504
Interests in associates		**14,484,088**	13,527,327
Interests in joint ventures		**112,885**	80,206
Financial assets at fair value through profit or loss		**1,817,479**	1,987,450
Financial assets at fair value through other comprehensive income		**8,262**	7,880
Deposits		**4,137,624**	3,356,749
Trade and other receivables	10	**6,612,700**	5,920,820
Deferred income tax assets		**6,092,963**	6,225,725
		285,571,675	279,901,725
Current assets			
Inventories		**22,882,978**	19,724,169
Trade and other receivables	10	**105,838,536**	97,544,121
Financial assets at fair value through profit or loss		**6,718,469**	7,194,035
Derivative financial instruments		**59**	225
Amounts due from related parties		**4,759,573**	4,702,427
Pledged bank deposits		**6,765,981**	6,846,409
Cash and cash equivalents		**19,289,967**	20,911,728
		166,255,563	156,923,114
Assets classified as held-for-sale		**11,188**	11,188
		166,266,751	156,934,302

	Note	30 June 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (restated) (unaudited)
Current liabilities			
Trade and other payables	11	**89,053,032**	79,042,004
Amounts due to related parties		**3,886,913**	3,652,993
Borrowings – amount due within one year		**112,462,817**	121,519,807
Obligations under finance leases		**–**	4,964,618
Lease liabilities		**2,446,034**	–
Derivative financial instruments		**24,779**	11,088
Employee benefits payable		**2,430**	4,713
Current income tax liabilities		**3,415,698**	4,316,733
Financial guarantee contracts		**64,000**	64,000
Dividends payable to non-controlling interests		**551,896**	214,779
		211,907,599	213,790,735
Net current liabilities		**(45,640,848)**	(56,856,433)
Total assets less current liabilities		**239,930,827**	223,045,292
Non-current liabilities			
Borrowings – amount due after one year		**85,202,553**	77,532,956
Deferred income		**1,869,759**	1,942,139
Obligations under finance leases		**–**	4,357,146
Lease liabilities		**4,411,803**	–
Employee benefits payable		**265,477**	267,442
Deferred income tax liabilities		**2,307,058**	2,439,407
		94,056,650	86,539,090
Net assets		**145,874,177**	136,506,202
Capital and reserves			
Share capital		**8,434,771**	8,434,771
Reserves		**67,703,136**	63,850,034
Equity attributable to:			
Owners of the Company		**76,137,907**	72,284,805
Holders of perpetual capital instruments		**24,161,186**	22,219,087
Non-controlling interests		**45,575,084**	42,002,310
Total equity		**145,874,177**	136,506,202

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2019

1. GENERAL INFORMATION

China National Building Material Company Limited (the "Company" or "CNBM") 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 address of registered office and principal place of business of the Company is located at Tower 2 (Building B), Guohai Plaza, 17 Fuxing Road, Haidian District, Beijing, the PRC.

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

The Company is an investment holding company. The subsidiaries are mainly engaged in the cement, concrete, lightweight building materials, glass fiber and 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 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 2019 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited and in compliance 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 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board.

Other than the adoption of new and amendments to IFRSs, 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 2018.

(a) Business combination under common control

On 28 December 2018, China Triumph Bengbu Engineering and Technology Company Limited ("Bengbu Triumph") (an indirect subsidiary of the Company) entered into an equity transfer agreement to acquire 100% equity interests of Bengbu Chemical Machinery Manufacturing Co., Ltd. ("Bengbu Chemical Machinery") from (CNBM) Bengbu Design & Research Institute for Glass Industry Co., Ltd. ("Bengbu Institute") (a 100% indirect subsidiary of the Parent) at cash consideration of approximately RMB82,288,400, (the "Acquisition"). The Acquisition was completed in June 2019 and thus Bengbu Chemical Machinery has become a subsidiary of the Group.

As Bengbu Institute and the Company are controlled by the Parent, the Acquisition has been accounted for based on the principles of merge accounting.

The condensed consolidated interim financial information of the Group has been prepared using the merger basis of accounting as if the current group structure has been in existence throughout the periods presented. The unaudited condensed consolidated interim financial information for the six months ended 30 June 2018 has been restated as a result of adoption of merger accounting for the above business combinations under common control.

(b) 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 2019:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015–2017 Cycle

Except as described below, the application of other new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/ or on the disclosures set out in this condensed consolidated interim financial information.

(i) Impacts and changes in accounting policies of application on IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current interim period. IFRS 16 superseded IAS 17 Leases, and the related interpretations.

Key changes in accounting policies resulting from application of IFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of IFRS16.

(a) Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(b) As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of plant and machinery and motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;

- any lease payments made at or before the commencement date, less any lease incentives received;

- any initial direct costs incurred by the Group; and

- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

Leasehold land and building

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

(c) As a lessor

Allocation of consideration to components of a contract

Effective on 1 January 2019, the Group applies IFRS 15 Revenue from Contracts with Customers to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease Modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(ii) Transition and summary of effects arising from initial application of IFRS 16

(a) Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

(b) As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

ii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of land and buildings in the PRC was determined on a portfolio basis; and

iii. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of IFRS 16:

The Group recognised lease liabilities of RMB10,755.09 million and right-of-use assets of RMB32,757.76 million at 1 January 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The lessee's incremental borrowing rates applied are at a range of 4.35% to 4.90%.

	Note	**At 1 January 2019** ***RMB'000***
Operating lease commitments as at 31 December 2018		1,771,722
Lease liabilities discounted at relevant incremental borrowing rates		1,424,926
Add: Extension options reasonably certain to be exercised		8,397
Lease liabilities relating to operating leases recognised upon application of IFRS 16		1,433,323
Add: Obligations under finance leases recognised at 31 December 2018	(i)	9,321,764
Lease liabilities as at 1 January 2019		10,755,087
Analysed for reporting purposes:		
Current portion		5,221,760
Non-current portion		5,533,327
		10,755,087

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Note	**Right-of-use assets** ***RMB'000***
Right-of-use assets relating to operating leases recognised upon application of IFRS 16		1,433,323
Reclassified from prepaid lease payments	(ii)	19,804,603
Amounts included in property, plant and equipment under IAS 17		
– Assets previously under finance leases	(i)	11,508,692
Lease prepayment at 1 January 2019		11,145
		32,757,763
By class:		
Land use rights		19,804,603
Land and buildings		2,276,139
Plant and machinery		10,412,708
Motor vehicles		264,313
		32,757,763

(i) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under leases as at 1 January 2019 amounting to RMB11,508.69 million as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of RMB4,964.62 million and RMB4,357.14 million to lease liabilities as current and non-current liabilities respectively at 1 January 2019.

(ii) Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of IFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB507.41 million and RMB19,297.19 million respectively were reclassified to right-of-use assets.

(c) As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

(i) Upon application of IFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's condensed consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

(ii) Before application of IFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which IAS 17 applied. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. There has no material impact on the condensed financial statement of the Group as at 1 January 2019.

(iii) Effective on 1 January 2019, the Group has applied IFRS 15 to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the condensed consolidated financial statements of the Group for the current period.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Balance at 31 December 2018 as restated (unaudited) *RMB'000*	**Adjustments** *RMB'000*	**Balance under IFRS 16 at 1 January 2019** (unaudited) *RMB'000*
Non-current assets			
Property, plant and equipment	175,501,016	(11,508,692)	163,992,324
Right-of-use assets	–	32,757,763	32,757,763
Prepaid lease payments	19,297,185	(19,297,185)	–
Current assets			
Trade and other receivables	97,544,121	(518,563)	97,025,558
Current liabilities			
Lease liabilities	–	5,221,760	5,221,760
Obligations under finance leases	4,964,618	(4,964,618)	–
Non-current liabilities			
Lease liabilities	–	5,533,327	5,533,327
Obligations under finance leases	4,357,146	(4,357,146)	–

(c) 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 2019, and have not been early adopted by the Group:

IFRS 17	Insurance Contracts[3]
Amendments to IFRS 3	Definition of a Business[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IAS 1 and IAS 8	Definition of Material[1]

1 Effective for annual periods beginning on or after 1 January 2020.
2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period on or after 1 January 2020.
3 Effective for annual periods beginning on or after 1 January 2021.
4 The original effective date of 1 January 2016 has been postponed until future announcement by the IASB.

The Group is in the process of making an assessment of what impact of these amendments and new standards would be in the period of initial application but not yet in a position to state whether these amendments, new or revised standards and interpretations would have significant impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into five major operating divisions during the period – cement, concrete, new materials, engineering services and others. These activities are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Cement	–	Production and sale of cement
Concrete	–	Production and sale of concrete
New materials	–	Production and sale of glass fiber, composite and light building 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 six months ended 30 June 2019 and year ended 31 December 2018.

(a) For the six months ended 30 June 2019:

The segment results for the six months ended 30 June 2019 are as follows:

Unaudited	Cement *RMB'000*	Concrete *RMB'000*	New materials *RMB'000*	Engineering services *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Revenue							
External sales							
At a point of time	58,291,248	22,890,738	13,918,329	-	557,447	-	95,657,762
Overtime	-	-	-	16,505,847	-	-	16,505,847
	58,291,248	22,890,738	13,918,329	16,505,847	557,447	-	112,163,609
Inter-segment sales *(Note)*	2,614,211	1,223	1,838	795,586	1,022,351	(4,435,209)	-
	60,905,459	22,891,961	13,920,167	17,301,433	1,579,798	(4,435,209)	112,163,609
Adjusted EBITDA (unaudited)	**19,776,092**	**790,770**	**1,446,733**	**1,748,278**	**(534,196)**	**-**	**23,227,677**
Depreciation and amortisation	(5,162,878)	(483,152)	(956,118)	(275,801)	(71,864)	-	(6,949,813)
Unallocated other income, net							29,113
Unallocated administrative expenses							(13,855)
Share of profits of associates	474,216	-	9,387	1,281	550,113	-	1,034,997
Share of (losses)/profits of joint ventures	(785)	-	2,088	(1,704)	-	-	(401)
Finance costs, net	(3,355,361)	(673,288)	(228,147)	(196,025)	(202,697)	-	(4,655,518)
Unallocated finance costs, net							(11,663)
Profit before income tax							12,660,537
Income tax expense							(3,846,058)
Profit for the period (unaudited)							**8,814,479**

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

The segment results are disclosed as EBITDA, i.e. the profit earned by each segment without allocation of depreciation and amortisation, net other income, central administration costs, net finance costs, share of profits of associates, share of (losses)/profits of joint ventures 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 2019:***

The segment results for the six months ended 30 June 2019 are as follows:

	Cement	Concrete	New materials	Engineering services	Others	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS							
Segment assets	240,304,071	48,402,134	48,904,497	54,532,207	4,401,832	-	396,544,741
Interests in associates	7,105,518	14,500	5,013,393	117,939	2,232,738	-	14,484,088
Interests in joint ventures	12,220	-	84,917	15,748	-	-	112,885
Unallocated assets							40,696,712
Total consolidated assets (unaudited)							451,838,426
LIABILITIES							
Segment liabilities	(131,185,673)	(16,673,569)	(23,035,055)	(46,232,426)	(7,723,390)	-	(224,850,113)
Unallocated liabilities							(81,114,136)
Total consolidated liabilities (unaudited)							(305,964,249)

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 2018:

The segment results for the six months ended 30 June 2018 are as follows:

Unaudited	Cement *RMB'000* (restated)	Concrete *RMB'000* (restated)	New materials *RMB'000* (restated)	Engineering services *RMB'000* (restated)	Others *RMB'000* (restated)	Eliminations *RMB'000* (restated)	Total *RMB'000* (restated)
Revenue							
External sales							
At a point of time	50,464,476	17,915,048	11,287,361	–	834,785	–	80,501,670
Over time	–	–	–	14,740,375	–	–	14,740,375
	50,464,476	17,915,048	11,287,361	14,740,375	834,785	–	95,242,045
Inter-segment sales *(Note)*	2,702,210	–	572,839	603,498	458,952	(4,337,499)	–
	53,166,686	17,915,048	11,860,200	15,343,873	1,293,737	(4,337,499)	95,242,045
Adjusted EBITDA (unaudited)	14,208,197	1,982,668	3,073,593	1,673,673	(348,541)	–	20,589,590
Depreciation and amortisation	(4,807,882)	(467,858)	(749,857)	(263,583)	(61,926)	–	(6,351,106)
Unallocated other expenses, net							(321,346)
Unallocated administrative expenses							(132,676)
Share of profits of associates	482,472	–	6,131	1,761	395,704	–	886,068
Share of profits of joint ventures	–	–	592	–	–	–	592
Finance costs, net	(3,599,932)	(1,017,912)	(231,789)	(205,320)	(165,861)	–	(5,220,814)
Unallocated finance costs, net							(235,587)
Profit before income tax							9,214,721
Income tax expenses							(2,467,816)
Profit for the period (unaudited)							6,746,905

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

The segment results are disclosed as EBITDA, i.e. the profit earned by each segment without allocation of depreciation and amortisation, net other expenses, central administration costs, net finance costs, share of profits of associates, share of profits of joint ventures 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.

(d) As at 31 December 2018:

The segment assets and liabilities as at 31 December 2018 are as follows:

	Cement	Concrete	New materials	Engineering services	Others	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
Assets							
Segment assets	229,650,694	47,832,640	45,980,224	51,293,180	5,833,938	–	380,590,676
Interests in associates	6,741,471	–	4,877,219	55,829	1,852,808	–	13,527,327
Interest in joint ventures	8,632	–	64,122	7,452	–	–	80,206
Unallocated assets							42,637,818
Total consolidated assets (unaudited)							436,836,027
Liabilities							
Segment liabilities	(142,404,108)	(3,419,040)	(19,876,125)	(42,905,912)	(8,218,957)	–	(216,824,142)
Unallocated liabilities							(83,505,683)
Total consolidated liabilities (unaudited)							(300,329,825)

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

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Adjusted EBITDA for reportable segments	**23,761,873**	20,938,131
Adjusted EBITDA for other segment	**(534,196)**	(348,541)
Total segments profit	**23,227,677**	20,589,590
Depreciation of property, plant and equipment	**(5,141,193)**	(5,737,128)
Depreciation of right-of-use assets	**(1,258,953)**	–
Amortisation of intangible assets	**(549,667)**	(353,412)
Amortisation of prepaid lease payments	**–**	(260,566)
Corporate items	**15,258**	(454,022)
Operating profit	**16,293,122**	13,784,462
Finance costs, net	**(4,667,181)**	(5,456,401)
Share of profits of associates	**1,034,997**	886,068
Share of (losses)/profits of joint ventures	**(401)**	592
Profit before income tax	**12,660,537**	9,214,721

4. INVESTMENT AND OTHER INCOME, NET

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Increase/(decrease) in fair value of financial assets at fair value through profit or loss	**768,340**	(1,210,215)
Decrease in fair value of derivative financial instruments	**(13,910)**	(37,976)
Government subsidies:		
– VAT refunds *(Note (a))*	**505,698**	557,905
– Government grants *(Note (b))*	**388,945**	253,812
– Interest subsidy	**719**	43,081
Net rental income	**253,820**	119,091
(Loss)/gain on disposal of other investments	**(3,358)**	1,775
Discount on acquisition of interests in subsidiaries	**1,610**	–
Gain on disposal of subsidiaries, net	**15,682**	–
Fair value losses on remeasurement of interests in associates	**–**	(9,960)
Claims received	**41,167**	29,222
Waiver of payables	**19,051**	23,880
Others	**120,638**	249,751
	2,098,402	20,366

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	
	2019	2018
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Interest expenses on bank borrowings:		
– wholly repayable within five years	**2,921,331**	3,257,889
– not wholly repayable within five years	**192**	7,299
	2,921,523	3,265,188
Interest expenses on finance lease	**–**	355,582
Interest expenses on lease liabilities	**162,691**	–
Interest expenses on bonds and other borrowings	**2,020,104**	2,331,884
Less: interest capitalised to construction in progress	**(52,662)**	(129,579)
	5,051,656	5,823,075
Interest income:		
– interest on bank deposits	**(210,468)**	(234,183)
– interest on loan receivables	**(174,007)**	(132,491)
	(384,475)	(366,674)
Finance costs, net	**4,667,181**	5,456,401

6. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	**5,166,474**	5,766,944
Depreciation of investment properties	**13,856**	16,124
Depreciation of right-of-use assets	**1,258,953**	–
Amortisation of intangible assets	**550,436**	356,984
Amortisation of prepaid lease payments	**–**	260,566
Impairment loss on goodwill	**918,544**	–
Impairment loss on property, plant and equipment	**590,424**	610,746
Impairment loss on intangible assets	**379**	–
Impairment loss on right-of-use assets	**5,948**	–
Allowance for impairment in respect of trade and other receivables	**1,738,476**	1,424,460
Staff costs	**8,856,883**	7,930,642
Loss/(gain) on disposal of property, plant and equipment, investment properties and intangible assets, net	**76,524**	(15,017)
Net foreign exchange (gains)/losses	**(8,549)**	329,753

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Current income tax	**3,847,908**	3,060,604
Deferred income tax	**(1,850)**	(592,788)
	3,846,058	2,467,816

PRC income tax is calculated at 25% (2018: 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% (2018: 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.

Taxation on profits outside the PRC has been calculated on the estimated assessable profits for the six months ended 30 June 2019 and 2018 at the rates of taxation prevailing in the countries in which the Group operates.

8. DIVIDENDS

	Six months ended 30 June	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Dividends	**1,518,259**	843,477

During the period, dividend amounting to approximately RMB1,518.26 million (six months ended 30 June 2018: approximately RMB843.48 million) was announced as the final dividend for the immediate preceding financial year.

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2019.

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	
	2019	2018
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Profit attributable to owners of the Company	**5,767,470**	3,811,771

	Six months ended 30 June	
	2019	2018
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of ordinary shares in issue	**8,434,771**	8,434,771

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 2019 *RMB'000* **(unaudited)**	31 December 2018 *RMB'000* (restated) (unaudited)
Trade receivables, net of allowance for impairment	**51,620,693**	44,626,704
Bills receivable	**22,135,146**	20,979,749
Contract assets	**11,720,018**	10,860,968
Prepaid lease payments	**–**	507,418
Other receivables, deposits and prepayments	**26,975,379**	26,490,102
	112,451,236	103,464,941

The Group normally allowed an average of credit period of 60 to 180 days to its trade customers except for customers of engineering services segment, the credit period are normally ranging from 1 to 2 years. The ageing analysis of trade receivables based on the invoice date is as follows:

	30 June 2019 *RMB'000* **(unaudited)**	31 December 2018 *RMB'000* (restated) (unaudited)
Within two months	**10,520,720**	8,995,854
More than two months but within one year	**23,859,559**	22,760,058
Between one and two years	**11,298,826**	7,264,887
Between two and three years	**3,781,207**	3,381,711
Over three years	**2,160,381**	2,224,194
	51,620,693	44,626,704

Analysed for reporting purposes:

	30 June 2019 *RMB'000* (unaudited)	31 December 2018 *RMB'000* (restated) (unaudited)
Non-current portion	**6,612,700**	5,920,820
Current portion	**105,838,536**	97,544,121
	112,451,236	103,464,941

11. TRADE AND OTHER PAYABLES

The ageing analysis of trade and other payables is as follows:

	30 June 2019 *RMB'000* (unaudited)	31 December 2018 *RMB'000* (restated) (unaudited)
Within two months	**10,277,360**	7,334,650
More than two months but within one year	**21,401,321**	18,850,239
Between one and two years	**3,665,550**	2,962,730
Between two and three years	**1,101,791**	1,268,333
Over three years	**2,466,034**	2,330,353
Trade payables	**38,912,056**	32,746,305
Bills payable	**15,507,546**	15,151,772
Contract liabilities	**15,856,415**	13,766,052
Other payables	**18,777,015**	17,377,875
	89,053,032	79,042,004

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

BUSINESS REVIEW AND PROSPECTS

The major operating data of each segment of the Group for the six months ended 30 June 2019 and 30 June 2018 are set out below:

CEMENT SEGMENT

China United Cement

	For the six months ended 30 June	
	2019	2018
Production volume – cement *(in thousand tonnes)*	**29,117**	24,146
Production volume – clinker *(in thousand tonnes)*	**25,549**	21,276
Sales volume – cement *(in thousand tonnes)*	**25,299**	21,619
Sales volume – clinker *(in thousand tonnes)*	**5,720**	5,679
Average selling price – cement *(RMB per tonne)*	**378.4**	332.4
Average selling price – clinker *(RMB per tonne)*	**313.4**	278.8
Sales volume – commercial concrete *(in thousand m^3)*	**21,914**	15,123
Average selling price – commercial concrete *(RMB per m^3)*	**461.9**	433.3

South Cement

	For the six months ended 30 June	
	2019	2018
Production volume – cement *(in thousand tonnes)*	**42,830**	42,624
Production volume – clinker *(in thousand tonnes)*	**39,210**	38,261
Sales volume – cement *(in thousand tonnes)*	**41,093**	42,005
Sales volume – clinker *(in thousand tonnes)*	**10,914**	9,188
Average selling price – cement *(RMB per tonne)*	**357.5**	326.5
Average selling price – clinker *(RMB per tonne)*	**332.0**	316.9
Sales volume – commercial concrete *(in thousand m^3)*	**22,371**	22,370
Average selling price – commercial concrete *(RMB per m^3)*	**485.0**	429.1

North Cement

	For the six months ended 30 June	
	2019	2018
Production volume – cement *(in thousand tonnes)*	**6,118**	4,347
Production volume – clinker *(in thousand tonnes)*	**4,958**	3,373
Sales volume – cement *(in thousand tonnes)*	**5,750**	4,345
Sales volume – clinker *(in thousand tonnes)*	**561**	225
Average selling price – cement *(RMB per tonne)*	**316.9**	358.2
Average selling price – clinker *(RMB per tonne)*	**254.6**	330.7
Sales volume – commercial concrete *(in thousand m^3)*	**1,269**	1,017
Average selling price – commercial concrete *(RMB per m^3)*	**341.4**	363.6

Southwest Cement

	For the six months ended 30 June	
	2019	2018
Production volume – cement *(in thousand tonnes)*	**43,000**	42,583
Production volume – clinker *(in thousand tonnes)*	**35,009**	33,527
Sales volume – cement *(in thousand tonnes)*	**41,915**	42,087
Sales volume – clinker *(in thousand tonnes)*	**1,796**	1,630
Average selling price – cement *(RMB per tonne)*	**320.3**	289.3
Average selling price – clinker *(RMB per tonne)*	**281.3**	266.6
Sales volume – commercial concrete *(in thousand m^3)*	**550**	716
Average selling price – commercial concrete *(RMB per m^3)*	**331.8**	292.3

Sinoma Cement

	For the six months ended 30 June	
	2019	2018
Production volume – cement *(in thousand tonnes)*	**9,719**	9,964
Production volume – clinker *(in thousand tonnes)*	**10,312**	9,705
Sales volume – cement *(in thousand tonnes)*	**9,050**	9,955
Sales volume – clinker *(in thousand tonnes)*	**2,400**	2,083
Average selling price – cement *(RMB per tonne)*	**376.2**	322.6
Average selling price – clinker *(RMB per tonne)*	**318.2**	300.4
Sales volume – commercial concrete *(in thousand m^3)*	**371**	375
Average selling price – commercial concrete *(RMB per m^3)*	**458.9**	438.1

Tianshan Cement

	For the six months ended 30 June	
	2019	2018
Production volume – cement *(in thousand tonnes)*	**7,004**	5,899
Production volume – clinker *(in thousand tonnes)*	**7,269**	6,229
Sales volume – cement *(in thousand tonnes)*	**7,016**	5,999
Sales volume – clinker *(in thousand tonnes)*	**1,951**	1,557
Average selling price – cement *(RMB per tonne)*	**427.3**	362.8
Average selling price – clinker *(RMB per tonne)*	**267.8**	251.8
Sales volume – commercial concrete *(in thousand m^3)*	**765**	749
Average selling price – commercial concrete *(RMB per m^3)*	**435.3**	440.4

Ningxia Building Materials

	For the six months ended 30 June	
	2019	2018
Production volume – cement *(in thousand tonnes)*	**6,227**	5,659
Production volume – clinker *(in thousand tonnes)*	**4,769**	4,472
Sales volume – cement *(in thousand tonnes)*	**5,859**	5,533
Sales volume – clinker *(in thousand tonnes)*	**556**	277
Average selling price – cement *(RMB per tonne)*	**262.3**	253.0
Average selling price – clinker *(RMB per tonne)*	**203.5**	250.2
Sales volume – commercial concrete *(in thousand m^3)*	**635**	495
Average selling price – commercial concrete *(RMB per m^3)*	**336.4**	324.0

Qilianshan

	For the six months ended 30 June	
	2019	2018
Production volume – cement *(in thousand tonnes)*	**8,905**	7,372
Production volume – clinker *(in thousand tonnes)*	**6,973**	5,595
Sales volume – cement *(in thousand tonnes)*	**9,039**	7,577
Sales volume – clinker *(in thousand tonnes)*	**610**	53
Average selling price – cement *(RMB per tonne)*	**279.8**	285.5
Average selling price – clinker *(RMB per tonne)*	**199.1**	229.9
Sales volume – commercial concrete *(in thousand m^3)*	**559**	366
Average selling price – commercial concrete *(RMB per m^3)*	**381.1**	365.1

NEW MATERIALS SEGMENT

BNBM

	For the six months ended 30 June	
	2019	2018
Gypsum board – BNBM		
Production volume *(in million m^2)*	**165.3**	156.5
Sales volume *(in million m^2)*	**169.0**	150.3
Average selling price *(RMB per m^2)*	**7.42**	7.79
Gypsum board – Taishan Gypsum		
Production volume *(in million m^2)*	**731.1**	717.9
Sales volume *(in million m^2)*	**703.7**	715.4
Average selling price *(RMB per m^2)*	**5.04**	5.40

China Jushi

	For the six months ended 30 June	
	2019	2018
Glass fiber yarn		
Production volume *(in thousand tonnes)*	**915**	711
Sales volume *(in thousand tonnes)*	**753**	749
Average selling price *(RMB per tonne)*	**4,866**	5,144

Sinoma Science & Technology

	For the six months ended 30 June	
	2019	2018
Glass fiber yarn		
Production volume *(in thousand tonnes)*	**359**	348
Sales volume *(in thousand tonnes)*	**338**	340
Average selling price *(RMB per tonne)*	**5,884**	6,195
Rotor blade		
Production volume *(MW)*	**3,902**	2,023
Sales volume *(MW)*	**3,201**	1,338
Average selling price *(RMB per MW)*	**612,616**	624,988

China Composites

	For the six months ended 30 June	
	2019	2018
Rotor blade		
Production volume *(MW)*	**1,367**	888
Sales volume *(MW)*	**1,282**	687
Average selling price *(RMB per MW)*	**674,298**	697,120

OVERVIEW OF THE FIRST HALF OF THE YEAR

INDUSTRY DEVELOPMENT SUMMARY AND BUSINESS REVIEW

In the first half of 2019, China's economy maintained the development momentum of overall stability amidst progress, with GDP growing at 6.3% year on year and optimised economic structure. Fixed-asset investment rose 5.8% year on year, presenting steady growth momentum. In particular, to overcome its weakness, infrastructure investment grew 4.1% year on year with rebounded growth rate. Property development investment grew 10.9% year on year, maintaining strong growth momentum. The production and operation of the building materials industry was generally stable, with fruitful results achieved in transformation and upgrading, as well as increased economic performance.

In the first half of 2019, in light of the continued complex domestic and overseas environment, the Group strengthened the "management of three delicacies" to continuously streamline the organizational structure, enhance refined management level and improve operating efficiency, based upon reducing costs, enhancing efficiency and further implementing the "2422" reduction works. The Group paid close attention to adjustment and transformation and made greater efforts on promotion of core businesses, green development and international operations. The Group vigorously facilitated innovation-driven development by valuing technological innovation and making every effort to promote industry-research cooperation, the establishment of mass entrepreneurship and innovation platform and the innovation incentive mechanism. The Group strengthened party building to lead high-quality corporate development with high-quality party building. In the first half of the year, compared with the same period of last year, the sales volume of cement and clinker of the Group increased by 5.9% to 170.3 million tonnes, the sales volume of commercial concrete increased by 17.1% year on year to 49.2 million cubic metres, the sales volume of aggregate increased by 68.4% year on year to 23.9 million tonnes, the sales volume of gypsum board increased by 4.4% year on year to 904 million square metres, the sales volume of glass fiber yarn increased by 4.3% year on year to 1.14 million tonnes and the sales volume of rotor blade increased by 121.4% year on year to 4,483 MW. The revenue from engineering services of the Group amounted to RMB17,301 million, representing a 12.8% increase year on year. The revenue of the Group amounted to RMB112,164 million, representing a 17.8% increase year on year. Profit attributable to equity holders of the Company amounted to RMB5,767 million, representing a 51.3% increase year on year.

Cement Segment

Review of the cement industry in the PRC in the first half of 2019

In the first half of 2019, supported by property investment and driven by enhancing infrastructure to overcome weakness, cement demand presented comparatively rapid growth for the first time after reaching a plateau. The production volume of cement in the PRC amounted to 1,045 million tonnes, representing a 4.8% increase year-on-year. Although the issue of overcapacity still stands out, the State continued to promote the supply-side structural reform, and fully implemented peak shifting production and reduced output for environment protection purpose, which led to the improved supply and demand relation, low level of inventory and moderate growth momentum of the industry.

In 2019, a new round of environmental protection, supervision and inspection officially commenced, which focused on the prevention and control of pollution with expanded scope of inspection. The in-depth supervision and inspection were promoted from the perspective of macro-environmental protection to attain stronger institutional guarantee. The National Development and Reform Commission prescribed clinker production lines of 2000t/d and below as products with limited development. MIIT issued the Catalog for Guilding Industry Transfer, pursuant to which, some provinces and cities ceased to undertake the transfer of cement industry and guided some provinces and cities to exit the cement industry. The law enforcement and supervision on eco-environmental protection continued, and the supply-side structural reform in the industry remained the main foundation.

Review of the cement segment business of the Group in the first half of 2019

For the cement segment, the Group proactively rose up to the challenges posed by severe cement overcapacity, mine rehabilitation and energy consumption control, and continuous increase in raw material procurement costs. With the purpose of further implementing the ideology of "PCP", the Group resolutely practised peak shifting production and restricted output for environment protection purpose, accelerated the supply-side structural reform and placed equal emphasis on the reduction of production capacity and output. The Group promoted the in-depth implementation of the "Cement+" strategy, which contributed to the layout optimization of cement, strengthened the core profit area of commercial concrete and accelerated the development of aggregates. The Group also practised the "management of three delicacies" in depth to reduce costs and improve performance, optimise asset structure and promote efficiency.

China United Cement

China United Cement put into practice the philosophy of "PCP" by placing equal emphasis on price and output to outperform the market, and made new breakthroughs in operating results. China United Cement promoted institutionalised peak shifting production and healthy development of the industry, made greater efforts to advance the "Cement+" industrial strategy through in-depth organizational integration of cement companies with commercial concrete and aggregate companies, and establishment of an integrated operation management system.

China United Cement strengthened the "management of three delicacies" with focus on enhancing refined management to explore internal potential for cost reduction and efficiency enhancement; carried out mine-corporation cooperation to increase the procurement of direct-supply coal; further advanced the establishment of the centralised material procurement platform to fully implement online procurement; strengthened production operation management and enhanced the promotion and application of new technologies to reduce production energy consumption; and facilitated the innovation of incentive mechanism by implementing the excess profit sharing scheme, and standardised and optimised remuneration plan.

Adhering to the development philosophy of "developing cement, optimising commercial concrete, expanding aggregate, and reinforcing comprehensive utilisation businesses", China United Cement optimised the strategic layout for the development of "Cement+" business to consolidate the core profit-generating regions; and spared no efforts to facilitate the integration of large-scale mines and construction of large-scale aggregate base projects, and steadily promoted synergetic treatment projects and prefabricated construction projects.

South Cement

South Cement strictly implemented peak shifting production and restricted output for environment protection purpose to deepen industrial self-discipline; with supply-side structural reform as the main theme, further pushed forward large and small kilns connection and clinker resource replacement to optimise supply structure; optimised market development and customer system establishment, reinforced coordination and planning of key projects, and strengthened fundamental markets integration to increase its shares in core markets; and actively responded to the impact brought by imported clinker and clinker cement from the north to maintain regional market stability.

South Cement further implemented the "management of three delicacies" and the "2422" special reduction works, resulting in the further improvement of operation quality; streamlined the organizational structure and further enhanced labour productivity; continued to reduce costs and advance refined management through overall budget management and refined management of all employees and the whole production process; and promoted operational refinement through innovative business modes and improved business environment.

South Cement accelerated optimisation and upgrading, and advanced the establishment and layout optimisation of environmentally-friendly and smart plants to enhance overall competitiveness; continued to advance mine integration for the construction of standard mines, benchmark mines and environmentally-friendly mines, and leveled up mine management in an all-round way; and accelerated the development of aggregate projects through reorganisation and increase of aggregate reserve.

North Cement

Due to the challenging business situation, highlighted by the issue of supply and demand conflict, North Cement maintained its market share through the headquarters' unified instruction, overall planning and balancing for each region; firmly implemented peak shifting production, and carried out proper clinker production allocation to reduce logistics costs.

North Cement took the initiative to explore new products while putting slow-setting cement and low-alkali cement into mass production, so as to meet market demands. The company preliminarily established the North Cement information management platform, and set up regional material procurement centers in each management district.

Southwest Cement

In strict compliance with environmental protection policies, Southwest Cement strengthened self-discipline in seasonal output reduction and peak shifting production; attached importance to key projects and major clients to increase the sales volume of high grade cement and further explored the market for civilian use, and further optimised the market structure, product structure and customer structure to enter the home decoration cement market.

Southwest Cement has established 18 marketing centers which completes the establishment of "production and sales separation" in each region, and has set up 8 regional management committees to enhance regional management through resource sharing and headquarter-branch connection. It also promoted, step-by-step, the intelligent logistics system to effectively improve the efficiency of material procurement and management supported by the information platform, and formulated in advance a customised proposal for the specialty materials used in Sichuan-Tibet railways by leveraging the technical advantage of Jiahua Teshui Research Institute.

Southwest Cement made breakthroughs in transformation and upgrading. For instance, the "intelligent demonstration production line" of Guizhou Zunyi Scitus was put into trial production, and the construction of aggregate projects was actively promoted. Southwest Cement implemented an asset-light operation mode for special cement to increase step-by-step its shares in special cement (such as oil well cement and hydraulic engineering cement) markets. It also strengthened the management of mines and mineral products, and undertook pilot projects of environmentally-friendly mines and digital mines.

Sinoma Cement

Adhering to the business philosophy of "PCP", Sinoma Cement actively addressed the impacts brought by seasonality and production suspension of kilns for environmental protection purpose by optimising its market strategy based on regional differentiation, so as to stabilise output and ensure price stability; and enhanced regional marketing resources sharing for in-depth marketing integration, so as to achieve market stability.

Sinoma Cement strengthened the refined management of the whole process, and continued to implement the benchmarking management system of "internal benchmarking at three levels" and "external dual benchmarking", resulting in the continuous improvement of process parameters and continuous decrease in unit energy consumption, as well as the steady enhancement of operation quality and sustainable development capability. It also conducted centralised capital management to reduce financing costs and capital investment costs.

In terms of international operations, the Zambia Industry Park has advanced production and operation indicators with stable product quality. Sinoma Cement promoted transformation and upgrading, implemented the "Cement+" strategy in an orderly manner, and made steady progress in the sludge and hazardous waste disposal project.

Tianshan Cement

Adhering to the business philosophy of "PCP", Tianshan Cement steadily strengthened regional peak shifting production; by seizing the opportunity brought by the momentum of steady progress of Xinjiang's economy, it adopted the targeted sales strategy based on the characteristics of the regional market, resulting in the year-on-year increase in price and volume.

Tianshan Cement implemented the "management of three delicacies", further promoted benchmarking, intensified performance assessment, and further reduced costs and enhanced efficiency; strengthened comprehensive budget management and refined management; and implemented the tender and procurement separation to promote standard and institutionalised procurement process.

Tianshan Cement accelerated the development of information technology to push forward intelligent management and promote management efficiency, and consolidated the e-commerce platform to further increase online sales volume.

Ningxia Building Materials

With the purpose of implementing the supply-side structural reform, Ningxia Building Materials firmly implemented peak shifting production to improve market supply and demand; continued to promote technology and equipment upgrading for the development of high-end products, so as to increase the market share of high-performance and high value-added products, such as low alkali, oil well, sulfur-resistant and well cementation materials.

With the thinking mode and technology of "Internet+", Ningxia Building Materials integrated the resources at three levels, i.e., intelligent production and manufacturing, information-based operation and management, and service support network, so as to improve labour productivity, enhance operation quality, reduce production costs, and develop business mode innovation.

Ningxia Building Materials continued to extend the industry chain, and formed a "Double+" of "Cement+" and "oil well cement + well cementation materials", and promoted the development of aggregate projects.

Qilianshan

Adhering to the business philosophy of "PCP", Qilianshan thoroughly carried out multi-dimensional as well as delicate competition and cooperation. Qilianshan took into overall consideration the four-in-one relationship of price, sales, market and profitability to implement the business principles of giving priority to efficiency and ensuring market share.

Qilianshan further implemented the "management of three delicacies", and made great efforts on reduction works to streamline the organizational structure; paid attention to KPI and strengthened the staff, and the comprehensive and full process cost and expense control, so as to broaden sources of income and reduce expenditures, as well as reduce costs and enhance efficiency.

With the purpose of accelerating the development of the "Cement+" mode, Qilianshan optimised the layout of cement and commercial concrete, and promoted the implementation of aggregate projects.

New Materials Segment

BNBM

BNBM promoted the "management of three delicacies" to establish the "advanced and simplified" factory. BNBM also promoted marketing 2.0 to implement marketing upgrade and thus provide integral solutions and promote integrated operation; adhered to the guidance of technological innovation and expanded and developed "Gypsum Board+" business to promote the whole house assembly system.

BNBM started a new round of layout planning, improved its industrial layout through new construction and reorganisation, and actively responded to the "Belt and Road" initiative and steadily pushed forward the global industrial layout, resulting in steady progress in overseas projects.

China Jushi

Guided by market demand, China Jushi deeply promoted structural adjustment, resulting in the continuous increase in sales proportions of high-end and exported products; and continued to enhance technological innovation capability through improvement of production and operation efficiency, to reduce costs and improve performance on an on-going basis. E8 glass fiber formula gained increasing market recognition, and has been applied in a variety of high-end products. China Jushi continued to improve its technical reserve and patent layout of E9 glass fiber formula. Tongxiang intelligent manufacturing base has been put into smooth operation. The company has laid the foundation of an intelligent manufacturing base in Chengdu with an annual capacity of 250,000 tonnes of glass fiber, which will become the first fully intelligent production base of China Jushi.

China Jushi steadily pushed forward the international strategy. The glass fiber production line with an annual capacity of 96,000 tonnes in the United States has commenced operation, and construction of a fiberglass production line with capacity of 100,000 tonnes in India is about to commence, further optimizing the globalisation layout.

Sinoma Science & Technology

Sinoma Science & Technology seized the opportunity brought by the recovery of wind power, deeply explored customers' needs, and actively adjusted and upgraded its rotor blade production capacity and product structure, resulting in a significant increase in production, sales and profitability. The "Two Sea Strategy" has been gradually implemented, increasing output in overseas markets and deepening cooperation with offshore wind power customers.

CTG continued to optimise production capacity and product structure, and further promoted cost reduction and efficiency enhancement. With the steady increase in the output of new products, the main products of CTG maintained a comparatively high level of profitability. CTG adhered to the technological innovation-driven development, and strived to increase technology and product reserves, resulting in the adverse increase in the production and sales volume of high-strength, high-modaling, ultra-fine, alkali-resistant, flat glass fiber and other high-tech products.

The Phase I Sinoma Lithium Membrane Project was under smooth operation with continuously improved capacity utilisation rate and reduced costs. The project achieved bulk sale by exploring domestic and overseas major customers. Sinoma Science & Technology invested in the construction of the Phase II Lithium Membrane Project and made capital increase to hold controlling shares of Hunan Chinaly, with the purpose of rapid expansion of production capacity, so as to have access to the core supply system of strategic client orders to increase market share.

China Composites

By seizing the good opportunity of the rebounded wind power market, China Composites actively adjusted production and market strategies, and continued to promote the "management of three delicacies" to achieve cost reduction and efficiency enhancement and improvement in management; further implemented the "Two Sea Strategy" by making greater effort on the production and sales of offshore and exported rotor blade, therefore achieving increase in production and sales, as well as profitability; and continued to advance technological innovation and industry-research synergy. Also, the world's longest 84m-6.25MW glass fiber reinforced rotor blade have been installed for the first time.

The production and sales of carbon fiber were thriving, leading to the significant increase in profits. The project in Xining with an annual production capacity of 20,000 tonnes of high-performance carbon fiber announced its commencement of construction, marking an important step in the layout of the high-end carbon fiber market.

Sinoma Advanced

Sinoma Advanced has earnestly implemented the "management of three delicacies" to continuously promote cost savings and further improved its development quality and product competitiveness; initiated the management tenure and contractual system, contributing to the continuous improvement of the assessment system. It continued to enhance technological innovation by giving full play to the research and development advantages of the Industrial Ceramics Institute and Beijing Synthetic Crystals for joint technical research through industry-research cooperation, and therefore made breakthroughs in key technologies with improved product performance.

It actively explored markets for its electroporcelain and aluminium oxide businesses, and strived to stabilise product prices. The construction of Silicon Nitride Production Line Phase I with capacity of 50 tonnes has been completed.

Engineering Services Segment

Sinoma International

Focusing on the principal business of cement technical equipment and engineering, Sinoma International further explored key regional market by leveraging the strength of its brand, and took the initiative in seizing the opportunity brought by the transformation and upgrading and green development of the cement industry, resulting in the steady increase in the amount of newly-signed contracts for its principal business. In addition, Sinoma International actively implemented the "Engineering+" strategy to further promote localisation by exploring Southeast Asia, the Middle East, South America, Africa and other key regions. As a result, Sinoma International signed contracts for various diversified engineering projects such as the white sugar refinery of Canal Sugar with a daily capacity of 5,700 tonnes in Egypt and the separator production base with an annual capacity of 4,800 tonnes in Dong Nai, Vietnam. Sinoma International continued to strengthen its technological innovation capability to establish a smart construction and operation system supported by BIM and digital construction, resulting in the effective improvement of management efficiency.

As a pilot enterprise of SASAC's "Double Hundred Actions", Sinoma International further strengthened its corporate governance system, fully promoted the establishment of excess profit sharing mechanism and implemented the reform pilot of market-oriented operation mechanism to actively explore medium- and long-term incentives that cover different groups.

China Triumph

China Triumph strived to establish an industrial transformation and upgrading platform with glass engineering as the principal business and technological innovation as the core, with the purpose of accelerating the overseas strategic layout of glass engineering, new energy, intelligent agriculture, thin-film solar energy and new housing businesses. The Fengyang Triumph Special Borosilicate Glass Production Line Project, with fully self-owned core technology, filled in the lack of production of high-borosilicate and fire-proof glass by float process in China. China Triumph also strengthened the reduction and control of the "Two Funds", and continuously improved operation efficiency and profitability.

China Triumph spared no efforts to advance international operation with a multi-dimensional layout in response to the "Belt and Road" initiative, and continuously developed new businesses and new business modes to open up the entire industry chain from R&D, design, equipment manufacturing to engineering services. One of the major projects in the "13th Five-Year Plan" period, namely, the 8.5-Generation TFT-LCD Glass Substrate Production Line Project has commenced operation, marking a key step towards breaking the monopoly of foreign technology and achievement of independent innovation. China Triumph also expanded and extended its industry chain, and focusing on cutting-edge technology, resulted in the photoelectric conversion rate of the CIGS thin-film battery pack assembly reaching 19%, which was a record high.

Sinoma Mining

Sinoma Mining strengthened its mining business connection with cement companies of the Group, and proactively expanded the traditional main business, therefore new progress was made in market operations. It made great efforts on special reduction works by signing the responsibility letter of reduction targets at different levels, and strengthening control, supervision and inspection during the process; and promoted benchmarking management, centralised procurement and project image improvement to strengthen the company's foundation, therefore all operating indicators reached record levels. In addition, Sinoma Mining also took the initiative to advance "Mining Services+" business to expand into the mine ecological restoration and governance industry, making new progress in industrial transformation.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of the year, the domestic and international economic situation will be complicated and severe with increasing unstable and uncertain factors. China's economy is facing new downward pressure, though, with challenges comes opportunities. From a macro perspective, PRC government will continue to insist on the general principle of seeking progress while maintaining stability, carrying out proactive fiscal initiatives and steady monetary policies, and adhering to the supply-side structural reform as the main theme to promote steady and healthy economic development. From the perspective of the industry, in the first half of the year, a good operational foundation has been laid. In the second half of the year, supervision and inspection on environmental protection will continue to advance in depth and the treatment effort of environmental protection will continue to strengthen. It is expected to maintain a stable and improving trend. From the perspective of the Company, with the continuous deepening of management improvement and business integration, it will further achieve high quality development.

The Group resolutely implements high-quality development concepts and strategic deployment. With strict compliance to the working guideline of "maintaining steady growth, focusing on the optimization, promoting reforms, and enhancing party building", management principle of "adhere to priority of efficiency and efficacy, adhere to the main highlight of specialization, adhere to the meticulosity, refinement and solidity, insist on the operating ideology of "PCP", adhere to integration and optimization, adhere to the consistent" and management measures of "price stabilisation, cost reduction, quantity guarantee, inventory control and optimization", the Group will strengthen the construction of its profit platform, focus on the main business, strengthen the main business, improve the quality of the main business development, and enhance its core competitiveness and profitability.

First, the Group will fully promote the supply-side structural reform. The Company will implement the "Three-Year Plan for Defending the Blue Sky", strictly implement the peak shifting production, restricted output for environment protection purpose, promote elimination of outdated production capacity, improve the policy of output reduction and production capacity replacement, insist on placing equal emphasis on the reduction in production capacity and output to maintain a healthy operating environment of the industry.

Second, the Group will, with all its strength, promote transformation and upgrading. Focusing on the three major business landscapes of "cement, new material and engineering", the Group promoted the layout optimization of cement to strengthen the construction of core profit area of commercial concrete and accelerate the development of aggregates. The Group will rapidly promote the development of new materials business, accelerate the transformation of the business into a high-end and intelligent form, and steadily promote globalization to promote "Gypsum Board+" and "Glass fiber+". The Group will consolidate the traditional advantages of the engineering services business and promote "localization and moderate diversification" to develop "Engineering+".

Third, the Group will give great effort to promote the "management of three delicacies". In terms of "improve operating efficiency", the Company will practice the ideology of "PCP", focus on marketing, consolidate traditional markets, develop emerging markets, and dig deep into market segments. In terms of "enhance refined management level", we will improve the level of management digitalisation, informationization and intelligence to further reduce costs and expenses, and streamline the management chain. In terms of "streamline the organizational structure", we will focus on the "2422" special project to optimize the balance sheet so as to streamline organization and personnel.

Fourth, the Group will fully promote integration and optimization. In accordance with the principle of refocus, we will promote the integration of the business sector in an orderly manner to realize resource sharing, mutual complement of advantages, and give full play to synergies.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2019.

MATERIAL TRANSACTIONS

During the Reporting Period, the Company has not entered into any material transactions.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed 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 2019, the Company complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules; and with respect to Code Provision A.4.2, every director should be subject to retirement by rotation at least once every three years, and the current session of the Board elected on 27 May 2016 are subject to retirement by rotation by 27 May 2019. Mr. Song Zhiping and Mr. Guo Chaomin, being former Directors, have retired. Mr. Chang Zhangli has been redesignated from an executive Director to a non-executive Director. At the 2017 annual general meeting of the Company held on 13 June 2018, Mr. Peng Jianxin was elected by Shareholders as an executive Director of the Company, and Ms. Xu Weibing, Mr. Shen Yungang and Ms. Fan Xiaoyan were elected as non-executive Directors of the Company. Mr. Peng Jianxin, a Director of the Company, has submitted the resignation letter to the Company on 30 July 2019 tendering his resignation from his position as the vice chairman and an executive Director, as he reached the legal age for retirement. The resignation of Mr. Peng from his position as a Director will not cause the number of members of the Board to fall below the quorum as required by the Company Law nor have an impact on the validity of the resolutions of the Board. The Company will speed up the election procedures for Directors.

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 organisational 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 based on the authorisation of the Board; and making recommendations to the Board. During the Reporting Period, the strategic steering committee has reviewed the operation of the Company in 2018 and proposals relating to the working arrangement in 2019.

Nomination Committee

The Company has established a nomination committee which comprises three Directors, including one executive Director and two independent non-executive Directors. 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, directed by the board diversity policy, 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 the appointment of Directors and senior management, and reviewing the qualifications and conditions of 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, diversity of the Board 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 one executive Director and two independent non-executive Directors. 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 reviewed the total remuneration of the senior management members of the Company for 2018.

Audit Committee

The Company has established an audit committee which comprises three Directors, including three independent non-executive Directors, one of whom possesses the appropriate professional qualification and accounting and related financial management experience. 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 external auditors and their work, the Company's financial reporting procedures, internal control and risk management, and formulating and reviewing the corporate governance policy and its practice and disclosure. During the Reporting Period, the audit committee has reviewed the 2018 conclusion of internal audit work of the Company, the 2019 working plan, the appointment of auditors for the year 2019, determination of audit expenses for the year 2018, the 2018 annual report and the 2019 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. Having made specific enquiries with all Directors, the Company confirmed that all the Directors had 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:

"13th Five-Year Plan"	the 13th Five-Year Plan for Economic and Social Development of the People's Republic of China
"2422"	the reduction of account receivables and inventory; the reduction of other receivables, prepayments, interest-bearing liabilities and monetary capital; the reduction of asset-liability ratio and capital expenditure; and the reduction of the number of employees and legal persons.
"Beijing Synthetic Crystals"	北京中材人工晶體研究院有限公司 (Beijing Sinoma Synthetic Crystals Co., Ltd.)
"BIM"	Building Information Modeling, a complete information model, which is able to integrate the engineering-related information, process and resource of a project at all stages of a full life cycle for the convenience of all parties
"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
"Cement+"	to develop, optimise and expand cement, commercial concrete, aggregate businesses which are the extension of industry chain of cement-related products and the new focal points of profit growth
"China Composites"	中國複合材料集團有限公司 (China Composites Group Corporation Limited)

"China Jushi"	中國巨石股份有限公司 (China Jushi Co., Ltd.) (previously known as 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 Cement"	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)
"Company Law"	the Company Law of the PRC
"CTG"	泰山玻璃纖維有限公司 (Taishan Fiberglass Inc.)
"Director(s)"	the director(s) of the Company
"Domestic shares"	the ordinary shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are subscribed for in RMB
"external dual benchmarking"	benchmarking Sinoma Cement against industry-leading enterprises, and benchmarking member companies against advanced enterprises in the same region
"Fengyang Triumph"	鳳陽凱盛矽材料有限公司 (Fengyang Triumph Silicon Materials Co., Ltd.)
"GDP"	gross domestic product
"Group"	the Company and, except where the context otherwise requires, all its subsidiaries
"H Shares"	the overseas listed foreign shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HKD
"Hunan Chinaly"	湖南中鋰新材料有限公司 (Hunan Chinaly New Material Co., Ltd.)

"Industrial Ceramics Institute"	山東工業陶瓷研究設計院有限公司 (Shandong Industrial Ceramics Research & Design Institute Co., Ltd.)
"internal benchmarking at three levels"	benchmarking among Sinoma Cement, member companies and workshops
"KPI"	key performance index
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"management of three delicacies"	streamline the organizational structure, enhance refined management level and improve operating efficiency
"MIIT"	中華人民共和國工業和信息化部 (Ministry of Industry and Information Technology of the People's Republic of China)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
"Ningxia Building Materials"	寧夏建材集團股份有限公司 (Ningxia Building Materials Group Co., Limited)
"North Cement"	北方水泥有限公司 (North Cement Company Limited)
"Parent"	中國建材集團有限公司 (China National Building Material Group Co., Ltd.*) (previously known as 中國建築材料集團有限公司 (China National Building Materials Group Corporation))
"PCP"	Price – Cost – Profit
"PRC"	the People's Republic of China
"Qilianshan"	甘肅祁連山水泥集團股份有限公司 (Gansu Qilianshan Cement Group Company Limited)
"Reporting Period"	the period from 1 January 2019 to 30 June 2019

"RMB"	Renminbi yuan, the lawful currency of the PRC
"Share(s)"	ordinary shares of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares, H Shares and Unlisted Foreign Shares
"Shareholder(s)"	holder(s) of Share(s)
"Sinoma Advanced"	中材高新材料股份有限公司 (Sinoma Advanced Materials Co., Ltd.)
"Sinoma Cement"	中材水泥有限責任公司 (Sinoma Cement Co., Ltd.)
"Sinoma International"	中國中材國際工程股份有限公司 (Sinoma International Engineering Co., Ltd.)
"Sinoma Lithium Membrane"	中材鋰膜有限公司 (Sinoma Lithium Membrane Co., Ltd.)
"Sinoma Mining"	中材礦山建設有限公司 (Sinoma Mining Construction Co., Ltd.)
"Sinoma Science & Technology"	中材科技股份有限公司 (Sinoma Science & Technology Co., Ltd.)
"South Cement"	南方水泥有限公司 (South Cement Company Limited)
"Southwest Cement"	西南水泥有限公司 (Southwest Cement Company Limited)
"State" or "Government"	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Taishan Gypsum"	泰山石膏有限公司 (Taishan Gypsum Co., Ltd*)

"Tianshan Cement"	新疆天山水泥股份有限公司 (Xinjiang Tianshan Cement Co., Ltd.*)
"Two Funds"	the amounts of account receivables and the inventory amount
"Unlisted Foreign Shares"	the unlisted foreign shares with a nominal value of RMB1.00 each in the registered capital of the Company

By Order of the Board
China National Building Material Company Limited*
Cao Jianglin
Chairman

Beijing, the PRC
23 August 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. Cao Jianglin, Mr. Peng Shou and Mr. Cui Xingtai as executive directors, Ms. Xu Weibing, Mr. Chang Zhangli, Mr. Tao Zheng, Mr. Chen Yongxin, Mr. Shen Yungang and Ms. Fan Xiaoyan 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 only*