



**CNBM**

# **China National Building Material Company Limited\***

**中國建 材 股 份 有 限 公 司**

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

(Stock Code: 3323)

## **Overseas Regulatory Announcement**

This announcement is the unaudited results for the third quarter of 2008 of Beijing New Building Material Company Limited (the “Company” or “BNBM”). This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

BNBM, a company listed on the Shenzhen Stock Exchange and incorporated in accordance with the laws of the PRC, is a subsidiary 52.4% owned by China National Building Material Company Limited (“CNBM”). This announcement of BNBM and related information in Chinese were published in the website designated by the Shenzhen Stock Exchange to disclose to the public of the People’s Republic of China (the “PRC”) on 29 October 2008 in accordance with the Rules Governing the Listing on the Shenzhen Stock Exchange. The unaudited 2008 third quarterly results of BNBM have been prepared in accordance with the PRC GAAP, the English translation of which is extracted and prepared by CNBM for information only.

Beijing, the PRC, 28 October 2008

# Beijing New Building Material Company Limited

## 2008 Third Quarterly Report

### 1. IMPORTANT NOTICE

- 1.1 The board of directors (the “Board”), the supervisory committee, all directors, supervisors and the senior management of the Company confirm that there are no misrepresentation or misleading statements contained in or material omissions from this report, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report.
- 1.2 None of the directors, supervisors or senior management of the Company has made any statement that he could not confirm or otherwise has expressed any objection to the truthfulness, accuracy and completeness of the report.
- 1.3 All directors attended the Board meeting.
- 1.4 The 2008 third quarterly financial statements of the Company are unaudited.
- 1.5 Mr. Cao Jianglin (Chairman of the Company) and Ms. Yang Yanjun (Chief Accountant and Financial Manager) have declared that they are responsible for the truthfulness and completeness of the financial statements in the quarterly report.

## 2. BASIC INFORMATION OF THE COMPANY

### 2.1 Major accounting data and financial indicators

*Unit: RMB*

	<b>At the end of the reporting period</b>	<b>At the end of the reporting period last year</b>	<b>Increase/decrease (%)</b>
Total assets	4,943,749,117.31	5,336,682,977.86	-7.36%
Owners' equity (or shareholders' equity)	1,856,663,864.85	1,740,678,559.96	6.66%
Net asset per share	3.23	3.03	6.66%

  

	<b>From the beginning of the year to the end of the reporting period</b>	<b>Increase/decrease from the corresponding period last year (%)</b>
Net cash flows from operating activities	4,300,674.48	-98.63%
Net cash flows from operating activities per share	0.007	-98.63%

	<b>During the reporting period</b>	<b>From the beginning of the year to the end of the reporting period</b>	<b>Increase/ decrease from the corresponding period last year (%)</b>
Net profit	24,086,371.75	133,723,289.53	-52.62%
Basic earnings per share	0.042	0.233	-52.62%
Basic earnings per share after extraordinary items	—	0.108	—
Diluted earnings per share	0.042	0.233	-52.62%
Return on net assets	1.30%	7.20%	-1.76%
Return on net assets after extraordinary items	1.26%	3.35%	-0.49%

### **Extraordinary items**

*Unit: RMB*

<b>Extraordinary items</b>	<b>Amount from the beginning of the year to the end of the reporting period</b>
Gain and loss arising from disposal of non-current assets	-55,704.07
Government subsidies recognized as gain and loss	4,633,928.00
Gain and loss arising from debt restructuring	55,546.00
Gain on transfer of equity interests	92,868,605.13
Other non-operating income and expenses excluding the above items, net	-845,974.70
Effect of income tax and minority interests	-25,172,185.38
Total	71,484,214.98

## 2.2 Total number of shareholders and particulars of the top 10 holders of shares not subject to trading moratorium at the end of the reporting period

*Unit: shares*

Total number of shareholders 100,193

### Particulars of the top 10 holders of shares not subject to trading moratorium

Name of shareholders	Number of shares not subject to trading moratorium	Type of share
China National Building Material Company Limited	57,515,000	Ordinary shares denominated in RMB
Tang Ning	1,288,000	Ordinary shares denominated in RMB
Jin Hailian	950,000	Ordinary shares denominated in RMB
He Xiaoling	700,000	Ordinary shares denominated in RMB
Zhu Quxiu	665,600	Ordinary shares denominated in RMB
Dai Wenwei	629,963	Ordinary shares denominated in RMB
Yang Min	559,880	Ordinary shares denominated in RMB
Industrial and Commercial Bank of China — Yuze Securities Investment Fund (中國工商銀行—裕澤證券投資基金)	550,600	Ordinary shares denominated in RMB
Tong Sufen	537,352	Ordinary shares denominated in RMB
Zhang Mingyu	448,845	Ordinary shares denominated in RMB

### 3. SIGNIFICANT EVENTS

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

Applicable       Not applicable

##### *I. Reasons for significant change in items of balance sheet*

1. Cash and bank balance decreased by RMB224,214,229.57 or 40.49% from the beginning of the year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
2. Held-for-trading financial assets decreased by RMB97,239,550.95 or 100.00% from the beginning of the year, which was attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
3. Bills receivable increased by RMB12,444,331.74 or 107.42% from the beginning of the year, which was mainly attributable to the bank acceptance bills received by the parent company for sales of products.
4. Dividend receivable decreased by RMB9,264,000.00 or 100% from the beginning of the year, which was attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
5. Other receivables decreased by RMB75,100,445.49 or 34.26% from the beginning of the year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
6. Other current assets increased by RMB70,568.91 or 141.14% from the beginning of the year, which was mainly attributable to the increased rent of the subsidiaries.

7. Investment properties decreased by RMB272,844,430.47 or 100.00% from the beginning of the year, which was attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
8. Construction in progress increased by RMB221,575,583.17 or 46.86% from the beginning of the year, which was mainly attributable to the increased expenses in construction in progress invested by the Company and its subsidiaries.
9. Bills payables decreased by RMB128,432,569.60 or 58.47% from the beginning of the year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
10. Advances from customers decreased by RMB31,965,518.54 or 30.16% from the beginning of the year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
11. Staff remuneration payable decreased by RMB15,892,861.16 or 37.85% from the beginning of the year, which was mainly attributable to the payment of staff remuneration provided at the end of the last year by subsidiaries during this year.
12. Taxes payable decreased by RMB36,744,427.45 or 98.66% from the beginning of the year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company, and income taxes payable last year being paid by the Company on an aggregative settlement basis.
13. Non-current liabilities due within one year increased by RMB57,450,000.00 or 149.03% from the beginning of the year, which was mainly attributable to the increased long-term borrowings due within one year of the Company and its subsidiaries.

14. Other current liabilities decreased by RMB4,680,000.00 or 48.11% from the beginning of the year, which was mainly attributable to the completion of subsidiaries' construction projects which had received government grants.
15. Deferred tax liabilities decreased by RMB3,115,158.52 or 46.41% from the beginning of the year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
16. Retained profit increased by RMB137,600,293.07 or 35.99% from the beginning of the year, which was mainly attributable to the increased net profit of the Company.

## *II. Reasons for significant change in items of income statement*

1. Business tax and surcharges in the reporting period decreased by RMB1,307,030.61 or 56.77% from the same period last year, mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company, and tax cut of value added taxes for subsidiaries of the Company during this quarter which lowered business tax and surcharges accordingly.
2. Loss on assets impairment in the reporting period decreased by RMB416,583.61 or 126.45% from the same period last year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
3. Gains on fair value changes in the reporting period decreased by RMB23,838,000.00 or 100% from the same period last year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company.
4. Investment income in the reporting period increased by RMB8,817,677.80 or 178.21% from the same period last year, which was mainly attributable to the increased gain from companies invested by subsidiaries.

5. Non-operating income in the reporting period decreased by RMB4,329,214.35 or 76.69% from the same period last year, which was mainly attributable to the decreased gain from disposal of non-current assets of the Company in the period.
6. Non-operating expense in the reporting period decreased by RMB2,263,622.36 or 95.98% from the same period last year, which was attributable to the decreased non-operating expense of subsidiaries in the period.
7. Income tax expense in the reporting period decreased by RMB18,982,277.79 or 91.67% from the same period last year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company, and tax reduction and exemption policies enjoyed by certain subsidiaries as they were recognized as comprehensive-utilization-of-resources enterprises in this year.

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

1. Net cash flow from operating activities decreased by RMB308,600,739.49 or 98.63% from the same period last year, which was mainly attributable to the smaller scope of consolidation as a result of the disposal of 80% equity interest in CNBM Investment Company Limited, a former subsidiary of the Company, and the increased cash expenses from operating activities of the Company as a result of hiking material prices.
2. Net cash flow from financing activities decreased by RMB196,939,108.24 or 96.73% from the same period last year, which was mainly attributable to the repayment of bank debts after receiving the payment for disposal of 80% equity interest in CNBM Investment Company Limited by the Company.

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

Applicable       Not applicable

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

Applicable       Not applicable

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

Applicable       Not applicable

### 3.5 Other significant events needed to be explained

#### 3.5.1 Securities investment

Applicable       Not applicable

#### 3.5.2 Shareholding in other listed companies

Applicable       Not applicable

#### 3.5.3 Communication with investors and site visits during the reporting period

Time of reception	Place of reception	Method of reception	Visitors	Issues discussed and information provided
1 July 2008 to 30 September 2008	Headquarters of the Company	Tele-conference	Individual investors	Development strategies and production and operation condition of the Company

## 4 APPENDICES

### 4.1 Balance sheet

Prepared by: Beijing New Building Material Company Limited

30 September 2008

*Unit: RMB*

Items	At the end of the period		At the beginning of the period	
	Group	Company	Group	Company
<b>Current assets:</b>				
Cash and bank balance	329,596,221.60	83,582,340.01	553,810,451.17	117,028,571.38
Balances with clearing companies	0.00	0.00		
Placements with banks and other financial institution	0.00	0.00		
Held for trading financial assets	0.00	0.00	97,239,550.95	
Bills receivable	24,029,583.90	22,037,583.90	11,585,252.16	6,758,019.12
Accounts receivable	365,458,928.77	239,032,339.46	390,198,802.16	128,522,055.19
Prepayments	274,229,660.57	76,452,253.66	351,380,222.10	54,682,711.78
Premiums receivable	0.00	0.00		
Accounts receivable from reinsurance treaty	0.00	0.00		
Deposits receivable from reinsurance treaty	0.00	0.00		
Interests receivable	0.00	0.00		
Dividends receivable			9,264,000.00	140,510,125.00
Other receivable	144,113,712.63	414,088,612.05	219,214,158.12	309,726,936.53
Proceeds from financial assets purchased under agreements to resell	0.00	0.00		
Inventories	570,141,787.83	245,330,578.79	504,933,962.34	222,594,760.14
Non-current assets due within one year	0.00	0.00		
Other current assets	120,568.93	0.00	50,000.02	
<b>Total current assets</b>	<b>1,707,690,464.23</b>	<b>1,080,523,707.87</b>	<b>2,137,676,399.02</b>	<b>979,823,179.14</b>

**Non-current assets:**

Loans and advances granted	0.00	0.00		
Available-for-sale financial assets	0.00	0.00		
Held-to-maturity investments	0.00	0.00		
Long-term receivables	0.00	0.00		
Long-term equity investments	247,080,411.96	892,390,807.22	282,788,770.28	1,065,440,080.76
Investment properties	0.00	0.00	272,844,430.47	
Fixed assets	1,982,191,310.19	976,549,120.60	1,835,441,400.87	1,018,576,319.53
Construction in progress	694,392,141.11	107,827,617.84	472,816,557.94	57,986,107.62
Constructive goods and materials	236,239.30	0.00		
Liquidation of fixed assets	0.00	0.00		
Biological assets for production	0.00	0.00		
Fuel assets	0.00	0.00		
Intangible assets	246,263,888.17	149,294,241.89	262,262,199.99	139,808,585.00
Development expenses	0.00	0.00		
Goodwill	23,628,472.28	0.00	23,628,472.28	
Long-term deferred expenditures	4,896,129.40	794,455.50	6,112,364.93	1,271,128.80
Deferred tax assets	12,593,862.38	6,800,084.68	15,828,343.52	4,870,467.72
Other non-current assets	24,776,198.29	0.00	27,284,038.56	
<b>Total non-current assets</b>	<b>3,236,058,653.08</b>	<b>2,133,656,327.73</b>	<b>3,199,006,578.84</b>	<b>2,287,952,689.43</b>
<b>Total assets</b>	<b>4,943,749,117.31</b>	<b>3,214,180,035.60</b>	<b>5,336,682,977.86</b>	<b>3,267,775,868.57</b>

<b>Current liabilities:</b>				
Short-term borrowings	1,316,160,000.00	627,060,000.00	1,536,810,035.60	822,060,000.00
Borrowings from central bank	0.00	0.00		
Deposit taking and deposit in inter-bank market	0.00	0.00		
Due from banks and other financial institutions	0.00	0.00		
Held-for-trading financial liabilities	0.00	0.00		
Notes payable	91,218,875.56	82,218,875.56	219,651,445.16	90,422,845.16
Accounts payable	344,887,164.66	105,160,006.78	330,275,107.51	87,766,847.60
Advances from customers	74,006,342.98	17,337,745.82	105,971,861.52	12,186,760.93
Disposal of repurchased financial assets	0.00	0.00		
Handling charges and commissions payable	0.00	0.00		
Staff remuneration payable	26,099,895.86	17,020,356.97	41,992,757.02	17,826,193.33
Taxes payable	497,243.78	1,328,872.03	37,241,671.23	13,065,576.55
Interests payable	1,163,560.00	231,457.50	1,317,971.16	260,889.75
Other payables	115,632,563.09	203,710,717.98	110,383,338.69	97,871,610.42
Payable to reinsurers	0.00	0.00		
Deposits for insurance contracts	0.00	0.00		
Customer deposits for trading in securities	0.00	0.00		
Customer deposits for underwriting	0.00	0.00		
Non-current liabilities due within one year	96,000,000.00	60,000,000.00	38,550,000.00	23,000,000.00
Other current liabilities	5,047,500.00	0.00	9,727,500.00	
<b>Total current liabilities</b>	<b>2,070,713,145.93</b>	<b>1,114,068,032.64</b>	<b>2,431,921,687.89</b>	<b>1,164,460,723.74</b>

<b>Non-current liabilities:</b>				
Long-term loans	685,000,000.00	404,000,000.00	799,500,000.00	524,000,000.00
Debentures payable	0.00	0.00		
Long-term accounts payable	23,459,289.20	0.00	23,894,735.94	
Special payable	0.00	0.00		
Accrued liabilities	0.00	0.00		
Deferred tax liabilities	3,596,790.05	0.00	6,711,948.57	
Other non-current liabilities	0.00	0.00		
<b>Total non-current liabilities</b>	<b>712,056,079.25</b>	<b>404,000,000.00</b>	<b>830,106,684.51</b>	<b>524,000,000.00</b>
<b>Total liabilities</b>	<b>2,782,769,225.18</b>	<b>1,518,068,032.64</b>	<b>3,262,028,372.40</b>	<b>1,688,460,723.74</b>
<b>Owners' equity (shareholders' equity):</b>				
Paid-up capital (or share capital)	575,150,000.00	575,150,000.00	575,150,000.00	575,150,000.00
Capital reserve	492,032,284.38	488,900,477.52	489,572,828.32	488,893,313.47
Less: Treasury stock	0.00	0.00		
Surplus reserve	269,534,720.01	233,301,396.21	293,541,973.55	233,301,396.21
General risk provision	0.00	0.00		
Retained earnings	519,946,860.46	398,760,129.23	382,346,567.39	281,970,435.15
Exchange reserve	0.00	0.00	67,190.70	
<b>Total shareholders' equity attributable to the Company</b>	<b>1,856,663,864.85</b>	<b>1,696,112,002.96</b>	<b>1,740,678,559.96</b>	<b>1,579,315,144.83</b>
<b>Minority interests</b>	<b>304,316,027.28</b>	<b>0.00</b>	<b>333,976,045.50</b>	
<b>Total shareholders' equity</b>	<b>2,160,979,892.13</b>	<b>1,696,112,002.96</b>	<b>2,074,654,605.46</b>	<b>1,579,315,144.83</b>
<b>Total of liabilities and owners' equity</b>	<b>4,943,749,117.31</b>	<b>3,214,180,035.60</b>	<b>5,336,682,977.86</b>	<b>3,267,775,868.57</b>

## 4.2 Income Statement of the reporting period

Prepared by: Beijing New Building Material Company Limited  
July — September 2008

*Unit: RMB*

Items	During the period		During the corresponding period last year	
	Group	Company	Group	Company
<b>I. Total operating revenue</b>	629,790,374.23	188,606,756.73	782,763,609.29	275,296,918.40
Including: Operating revenue	629,790,374.23	188,606,756.73	782,763,609.29	275,296,918.40
Interest income	0.00	0.00	0.00	0.00
Premiums earned	0.00	0.00	0.00	0.00
Handling charges and commission income	0.00	0.00	0.00	0.00
<b>II. Total cost of operations</b>	597,863,903.00	186,179,242.90	721,674,039.31	254,615,076.52
Including: Operating cost	500,187,625.65	151,469,576.00	611,221,414.12	217,545,859.51
Interest expenses	0.00	0.00	0.00	0.00
Handling charges and commission expenses	0.00	0.00	0.00	0.00
Surrender payment	0.00	0.00	0.00	0.00
Net claim expenses	0.00	0.00	0.00	0.00
Net provision for insurance deposits	0.00	0.00	0.00	0.00
Policyholder dividend expenses	0.00	0.00	0.00	0.00
Reinsurance costs	0.00	0.00	0.00	0.00
Business tax and surcharges	995,442.93	-41,829.53	2,302,473.54	792,939.31
Selling expenses	46,671,384.92	17,805,180.78	45,121,623.67	13,500,360.53
Administrative expenses	36,582,877.85	13,925,565.83	44,682,301.73	17,868,074.26
Finance costs	13,513,699.83	3,020,749.82	18,016,770.82	4,907,842.91
Loss on assets impairment	-87,128.18	0.00	329,455.43	0.00

Add:	Gains on fair value changes (loss stated with “-”)	0.00	0.00	23,838,000.00	0.00
	Investment income (loss stated with “-”)	3,869,636.41	9,924,937.45	-4,948,041.39	1,695,918.00
	Including:				
	Investment income from associated companies and jointly controlled entities	3,865,726.29	-365,062.55	-4,948,041.39	1,695,918.00
	Foreign currency exchange gains (loss stated with “-”)	0.00	0.00	0.00	0.00
<b>III.</b>	<b>Operating profit (loss stated with “-”)</b>	<b>35,796,107.64</b>	<b>12,352,451.28</b>	<b>79,979,528.59</b>	<b>22,377,759.88</b>
Add:	Non-operating income	1,315,796.71	433,444.09	5,645,011.06	4,505,031.40
Less:	Non-operating expense	94,768.46	28,675.15	2,358,390.82	54,933.48
	Including: Loss from disposal of non-current assets	6,475.15	6,475.15	128,269.68	4,933.48
<b>IV.</b>	<b>Total profit (loss stated with “-”)</b>	<b>37,017,135.89</b>	<b>12,757,220.22</b>	<b>83,266,148.83</b>	<b>26,827,857.80</b>
Less:	Income tax expense	1,724,032.80	0.00	20,706,310.59	2,323,334.61
<b>V.</b>	<b>Net profit (loss stated with “-”)</b>	<b>35,293,103.09</b>	<b>12,757,220.22</b>	<b>62,559,838.24</b>	<b>24,504,523.19</b>
	Net profit attributable to the Company	24,086,371.75	12,757,220.22	50,831,736.19	24,504,523.19
	Minority interests	11,206,731.34	0.00	11,728,102.05	0.00
<b>VI.</b>	<b>Earnings per share:</b>				
	(1) Basic earnings per share	0.04	0.02	0.09	0.04
	(2) Diluted earnings per share	0.04	0.02	0.09	0.04

### 4.3 Income Statement from the beginning of the year to the end of the reporting period

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

*Unit: RMB*

Items	During the period		During the corresponding period last year	
	Group	Company	Group	Company
<b>I. Total operating revenue</b>	1,752,614,333.03	668,955,438.16	2,125,620,505.49	664,405,405.69
Including: Operating revenue	1,752,614,333.03	668,955,438.16	2,125,620,505.49	664,405,405.69
Interest Income	0.00	0.00	0.00	0.00
Premiums earned	0.00	0.00	0.00	0.00
Handling charges and commission income	0.00	0.00	0.00	0.00
<b>II. Total cost of operations</b>	1,662,482,148.02	653,859,370.83	1,994,914,260.49	616,457,764.28
Including: Operating cost	1,385,695,639.00	528,560,861.82	1,717,750,185.20	531,745,206.79
Interest expenses	0.00	0.00	0.00	0.00
Handling charges and commission expenses	0.00	0.00	0.00	0.00
Surrender payment	0.00	0.00	0.00	0.00
Net claim expenses	0.00	0.00	0.00	0.00
Net provision for insurance deposits	0.00	0.00	0.00	0.00
Policyholder dividend expenses	0.00	0.00	0.00	0.00
Reinsurance costs	0.00	0.00	0.00	0.00
Business tax and surcharges	3,541,315.91	1,173,648.79	4,974,980.47	1,597,809.57
Selling expenses	117,107,875.70	49,919,634.33	112,804,351.33	31,538,500.40
Administrative expenses	99,664,106.64	41,505,949.02	109,459,965.87	39,669,022.73
Finance costs	49,576,901.10	19,241,167.08	46,024,949.65	11,756,825.11
Loss on assets impairment	6,896,309.67	13,458,109.79	3,899,827.97	150,399.68

Add:	Gains on fair value changes (loss stated with “-”)	0.00	0.00	60,858,000.00	0.00
	Investment income (loss stated with “-”)	100,868,756.22	150,263,789.61	7,779,707.52	-286,149.33
	Including:				
	Investment income from associated companies and jointly controlled entities	7,996,240.97	-603,742.19	7,219,679.88	-286,149.33
	Foreign currency exchange gains (loss stated with “-”)	0.00	0.00	0.00	0.00
<b>III.</b>	<b>Operating profit (loss stated with “-”)</b>	191,000,941.23	165,359,856.94	199,343,952.52	47,661,492.08
Add:	Non-operating income	5,934,975.37	841,588.10	7,939,428.74	5,306,892.47
Less:	Non-operating expense	2,147,180.14	987,763.58	2,965,607.58	333,513.78
	Including: Loss from disposal of non-current assets	505,396.58	18,176.58	534,390.94	263,447.85
<b>IV.</b>	<b>Total profit (loss stated with “-”)</b>	194,788,736.46	165,213,681.46	204,317,773.68	52,634,870.77
Less:	Income tax expense	35,287,462.56	28,293,737.38	39,358,310.09	5,956,850.51
<b>V.</b>	<b>Net profit (loss stated with “-”)</b>	159,501,273.90	136,919,944.08	164,959,463.59	46,678,020.26
	Net profit attributable to the Company	133,723,289.53	136,919,944.08	125,835,105.32	46,678,020.26
	Minority interests	25,777,984.37	0.00	39,124,358.27	0.00
<b>VI.</b>	<b>Earnings per share:</b>				
	(1) Basic earnings per share	0.23	0.24	0.22	0.08
	(2) Diluted earnings per share	0.23	0.24	0.22	0.08

#### 4.4 Cash Flow Statements from the beginning of the year to the end of the reporting period

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

*Unit: RMB*

Item	During the period		During the corresponding period last year	
	Group	Company	Group	Company
<b>I. Net cash flow from operating activities:</b>				
Cash received from product sales and rendering of services	1,869,426,947.57	640,454,429.56	2,243,203,795.74	677,972,556.24
Net increase in deposits from customers and placements from banks and other financial institutions	0.00	0.00	0.00	0.00
Net increase in borrowings from central banks	0.00	0.00	0.00	0.00
Net increase in placements from other financial institutions	0.00	0.00	0.00	0.00
Cash received from premiums of original insurance contracts	0.00	0.00	0.00	0.00
Net cash received from reinsurance business	0.00	0.00	0.00	0.00
Net increase in deposits from policyholders and investments	0.00	0.00	0.00	0.00
Net increase in disposal of held-for-trading financial assets	0.00	0.00	0.00	0.00
Cash received from interest, handling charges and commissions	0.00	0.00	0.00	0.00
Net increase in capital due to banks and other financial institutions	0.00	0.00	0.00	0.00
Net increase in repurchases	0.00	0.00	0.00	0.00
Refund of tax and levies received	7,295,153.66	6,726.01	24,464,553.83	1,091,047.76

Other cash received relating to operating activities	85,050,519.12	72,930,932.25	460,174,210.43	154,914,869.06
Sub-total of cash inflow from operating activities	1,961,772,620.35	713,392,087.82	2,727,842,560.00	833,978,473.06
Cash paid for purchase of goods and receipt of services	1,539,515,026.00	589,822,706.36	1,741,138,881.77	514,939,918.30
Net increase in loans and advances to customers	0.00	0.00	0.00	0.00
Net increase in placements with central bank and other financial institutions	0.00	0.00	0.00	0.00
Cash paid for claims on original insurance contracts	0.00	0.00	0.00	0.00
Cash payment for interest, handling charges and commissions	0.00	0.00	0.00	0.00
Cash payment for policyholder dividend	0.00	0.00	0.00	0.00
Cash paid to and on behalf of employees	159,813,194.26	79,209,612.55	151,169,197.53	71,499,962.96
Taxes and surcharges paid	93,104,298.37	60,490,454.76	70,535,227.47	33,797,459.44
Other cash paid relating to operating activities	165,039,427.24	82,497,642.01	452,097,839.26	57,175,395.85
Sub-total of cash outflow from operating activities	1,957,471,945.87	812,020,415.68	2,414,941,146.03	677,412,736.55
Net cash flow from operating activities	4,300,674.48	-98,628,327.86	312,901,413.97	156,565,736.51

## II. Cash flows from investment activities:

Cash received from disposal of investments	0.00	0.00	1,760,000.00	0.00
Cash received from returns on investments	150,588,926.67	198,509,051.67	21,672,647.42	100,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	181,500.00	123,500.00	11,262,647.85	11,156,647.85
Net cash received from disposal of subsidiaries and other operated entities	100,426,391.90	265,411,073.33	0.00	0.00
Other cash received relating to investment activities	0.00	0.00	0.00	0.00
Sub-total of cash inflow from investment activities	251,196,818.57	464,043,625.00	34,695,295.27	11,256,647.85

Cash paid to acquire fixed assets, intangible assets and other long-term assets	463,266,581.85	56,869,929.92	309,555,578.99	71,175,875.86
Cash paid to acquire investment	23,091,305.80	89,772.80	51,883,276.72	83,506,547.00
Net increase in pledged loans	0.00	0.00	0.00	0.00
Cash paid for acquisition of subsidiaries and other operated entities	0.00	0.00	0.00	0.00
Other cash paid relating to investment activities	0.00	0.00	0.00	0.00
Sub-total of cash outflow from investment activities	486,357,887.65	56,959,702.72	361,438,855.71	154,682,422.86
Net cash flows from investment activities	-235,161,069.08	407,083,922.28	-326,743,560.44	-143,425,775.01

### III. Cash flows from financing activities:

Cash received to introduce investments	14,405,155.00	0.00	3,600,000.00	0.00
Including: Cash received from minority shareholders by subsidiaries	14,405,155.00	0.00	3,600,000.00	0.00
Cash received from borrowings	1,521,600,000.00	699,000,000.00	1,882,352,800.00	966,000,000.00
Cash received from issue of debentures	0.00	0.00	0.00	0.00
Other cash received relating to financing activities	0.00	0.00	0.00	0.00
Sub-total of cash inflow from financing activities	1,536,005,155.00	699,000,000.00	1,885,952,800.00	966,000,000.00
Cash repayments of amounts borrowed	1,416,250,000.00	977,000,000.00	1,538,964,559.55	879,000,000.00
Cash payments for distribution of dividends or profits or interest expenses	113,108,015.48	63,901,825.79	143,401,992.69	82,198,763.65
Including: Dividend or profit paid by subsidiary to minority shareholders	7,413,032.83	0.00	0.00	0.00
Other cash paid relating to financing activities	0.00	0.00	0.00	0.00
Sub-total of cash outflow from financing activities	1,529,358,015.48	1,040,901,825.79	1,682,366,552.24	961,198,763.65
Net cash flows from financing activities	6,647,139.52	-341,901,825.79	203,586,247.76	4,801,236.35

IV. Effect on cash due to change in foreign currency exchange rate	-974.49	0.00	-47,630.09	69.03
V. Net increase in cash and cash equivalents	-224,214,229.57	-33,446,231.37	189,696,471.20	17,941,266.88
Add: Balance of cash and cash equivalents at the year beginning	553,810,451.17	117,028,571.38	679,855,107.96	49,124,219.73
VI. Balance of cash and cash equivalents at the end of the period	329,596,221.60	83,582,340.01	869,551,579.16	67,065,486.61

#### 4.4 Auditor's Report

Auditor's opinion: unaudited

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

28 October 2008

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

\* *For identification only*