



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)

PROPOSED ISSUE OF SHORT-TERM DEBENTURE

The board of directors of the Company announced that the Company proposed to issue a Short-Term Debenture in the PRC with a principal amount of not more than RMB2.5 billion during a 12-month period from the date when approval by the Company's shareholders is obtained at the EGM.

The proposed issue of the Short-Term Debenture may or may not occur, and shareholders and investors should therefore exercise caution in dealing in the Company's shares. Further announcement will be made if required or otherwise considered appropriate under the Listing Rules, if and when the proposed issue of the Short-Term Debenture takes place.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 8 April, 2008, the board of directors of the Company resolved to convene the EGM to seek the proposed issue of the Short-Term Debenture during a 12-month period from the date when approval by the Company's shareholders is obtained at the EGM.

Accordingly, the proposed issue of the Short-Term Debenture is subject to the approval from the shareholders of the Company (including holders of H Shares and holders of Domestic Shares) and subsequently the approval from the People's Bank of China.

The details of the proposed issue of the Short-Term Debenture, if it proceeds, are as follows:

- (i) Principal amount: not more than RMB2.5 billion
- (ii) Maturity: Not more than 1 year
- (iii) Interest rate: Fixed rate interest for the term of the Short-Term Debenture. The interest rates are estimated to be not more than 90% of the then benchmark lending rate declared by the People's Bank of China for the corresponding period. The actual interest rates also depend on the debenture market conditions in the PRC prior to the proposed issue and are subject to the final approval of the regulatory authorities in the PRC
- (iv) Interest and principal repayment: The principal together with the interest will be repaid on maturity of the Short-Term Debenture

The proceeds from the proposed issue of the Short-Term Debenture will be used, as currently contemplated, as the Company's working capital so as to meet the Company's short term financial needs.

The Short-Term Debenture is expected to be issued to financial institutions including banks in the PRC (save for those prohibited by PRC laws or regulations from subscription). The Company's directors believe that the proposed issue of the Short-Term Debenture will provide the Company with a further source of funding at an interest rate which, in view of the current market conditions, is expected to be more favourable than that generally available from loans from commercial banks. The issue of the Short-Term Debenture may therefore lower the Company's costs of borrowings and at the same time help to satisfy the short term capital needs of the Company. The directors therefore believe that the proposed issue of the Short-Term Debenture is in the interest of the Company and its shareholders as a whole.

The proposed issue of the Short-Term Debenture may or may not occur, and shareholders and investors should therefore exercise caution in dealing in the Company's shares. Further announcement will be made if required or otherwise considered appropriate under the Listing Rules, if and when the proposed issue of the Short-Term Debenture takes place.

At the EGM, special resolutions will be proposed to the shareholders of the Company for their consideration and, if thought fit, approval of the proposed issue of the Short-Term Debenture. A circular containing, amongst other things, further details of the proposed issue of the Short-Term Debenture together with a notice of EGM to be convened will be despatched to the shareholders of the Company as soon as practicable.

DEFINITIONS

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

“Company”	中國建材股份有限公司 (China National Building Material Company Limited*), a joint stock limited company incorporated under the laws of the PRC whose H Shares are listed on The Stock Exchange of Hong Kong Limited
“Domestic Shares”	the domestic shares in the share capital of the Company
“EGM”	an extraordinary general meeting of the shareholders of the Company to be convened and held for the purpose of approving, among other things, the proposed Short-Term Debenture
“H Shares”	the overseas listed foreign shares in the share capital of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Short-Term Debenture”	a short-term debenture with a principal amount of not more than RMB2.5 billion to be issued by the Company to financial institutions including banks in the PRC (save for those prohibited by PRC laws or regulations from subscription)

As at the date of this announcement, the board of directors of the Company comprises:

Executive directors:

Song Zhiping

Cao Jianglin

Li Yimin

Peng Shou

Non-executive directors:

Cui Lijun

Huang Anzhong

Zuo Fenggao

Independent non-executive directors:

Zhang Renwei

Zhou Daojiong

Chi Haibin

Lau Ko Yuen, Tom

By order of the board of directors

Song Zhiping

Chairman

Beijing, PRC, 8 April, 2008

The board of directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the extent of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

* *For identification only*