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**SINOMA** China National Materials  
Company Limited

*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock code: 01893)**

**NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**AGM**”) of the shareholders of China National Materials Company Limited (the “**Company**”) will be held at 2:00 p.m. on Tuesday, 15 May 2012 at meeting room No.3212 of the Company at 11 Beishuncheng Street, Xizhimennei, Xicheng District, Beijing 100035, the People's Republic of China (“**PRC**”), for the purpose of considering and, if thought fit, passing the following resolutions:

**AS ORDINARY RESOLUTIONS**

1. To consider and, if thought fit, to approve the report of the board of directors of the Company for the year ended 31 December 2011.
2. To consider and, if thought fit, to approve the report of the supervisory committee of the Company for the year ended 31 December 2011.
3. To consider and, if thought fit, to approve the audited consolidated financial statements of the Company for the year ended 31 December 2011.
4. To consider and, if thought fit, to approve the profit distribution proposal of the Company, namely, the proposal for distribution of a final dividend of RMB0.06 per share (tax inclusive) in an aggregate amount of approximately RMB214,287,840 for the year ended 31 December 2011, and to authorise the Chairman of the board of directors of the Company to implement the aforesaid distribution.
5. To consider and, if thought fit, to approve the usage procedure of the Central state-owned budget funds.
6. To consider and, if thought fit, to approve the re-appointment of SHINEWING (HK) CPA Limited and ShineWing Certified Public Accountants Co., Ltd, as the international and domestic auditors of the Company, respectively for the year 2012, the term of such re-appointment shall continue until the next annual general meeting of the Company, and to authorize the audit committee of the board of directors of the Company to determine their remuneration.

7. To consider and, if thought fit, to approve the amendment to the rules of procedures of the general meeting of the Company.
8. To consider and, if thought fit, to approve the amendment to the rules of procedures of the board of directors of the Company.

### **AS SPECIAL RESOLUTIONS**

9. To consider and, if thought fit, to approve a general mandate to the Board to issue, allot and deal with (1) additional Unlisted Shares not exceeding 20% of the Unlisted Shares; and (2) additional H Shares of the Company H Shares not exceeding 20% of the H Shares in issue, and to authorise the board of directors of the Company (the “**Board**”) to make such corresponding amendments to the articles of association (the “**Articles**”) as it think fit so as to reflect the new capital structure upon the allotment and issue of the shares:

“**THAT:**

- (A) (i) subject to paragraph 9(A)(iii) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities (the “**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), the Articles and the applicable laws and regulations of the PRC, the exercise by the Board during the Relevant Period of all the powers of the Company to allot, issue and deal with, either separately or concurrently, additional Unlisted Shares and H Shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion of shares which might require the exercise of such powers be hereby generally and unconditionally approved;
- (ii) the approval in paragraph 9(A)(i) shall authorise the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion of shares which might require the exercise of such powers after the end of the Relevant Period;
- (iii) each of the aggregate nominal amounts of Unlisted Shares and H Shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Board pursuant to the approval granted in paragraph 9(A)(i) shall not exceed 20% of each of the aggregate nominal amounts of Unlisted Shares and H Shares of the Company, respectively, in issue at the date of passing this resolution, otherwise pursuant to (a) a Rights Issue; or (b) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company, in accordance with the relevant requirements of the Hong Kong Listing Rules, the Articles and the applicable laws and regulations of the PRC; and

(iv) for the purposes of this resolution:

“H Shares” means overseas listed Foreign Shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars, for which permission to deal in and the grant of listing on the Hong Kong Stock Exchange has been obtained.

“Unlisted Shares” means Domestic Shares and unlisted Foreign Shares, where:

- (a) “Domestic Shares” are ordinary shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and credited as fully paid up in Renminbi by PRC nationals and/or PRC incorporated entities; and
- (b) “Foreign Shares” are ordinary shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and credited as fully paid up in foreign currency by non-PRC nationals and/or non-PRC incorporated entities.

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles or other applicable laws and regulations; or
- (c) the revocation or variation of the authority given to the Board under this resolution by passing of a special resolution of the Company in a general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Board to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.

- (B) The Board be authorised to make corresponding amendments to the Articles as it thinks fit so as to reflect the new capital structure upon the allotment or issue of shares as provided in paragraph 9(A)(i) of this resolutions.”

10. To consider and, if thought fit, to approve the amendment to the Articles of the Company.

The Board may only exercise their authority as mentioned above in compliance with the relevant Laws and regulations of the PRC, the Hong Kong Listing Rules, and with all necessary approvals from the relevant government authorities.

By Order of the Board  
**China National Materials Company Limited**  
**Tan Zhongming**  
*Chairman*

Beijing, 30 March 2012

*As at the date of this announcement, the executive directors of the Company are Mr. Tan Zhongming and Mr. Li Xinhua, the non-executive Directors are Mr. Yu Shiliang, Mr. Liu Zhijiang, Mr. Zhang Hai and Mr. Tang Baoqi, and the independent non-executive Directors are Mr. Leung Chong Shun, Mr. Shi Chungui, Mr. Lu Zhengfei Mr. Wang Shimin and Mr. Zhou Zude.*

*Notes:*

**1. ELIGIBILITY FOR ATTENDING THE AGM**

Holders of H Shares whose names appear on the register of the Company maintained by Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Company in Hong Kong, on of Sunday, 15 April 2012 shall be entitled to attend the AGM.

Holders of H Shares intending to attend and vote at the AGM to be held on Tuesday, 15 May 2012 shall lodge all the transfer documents for H Shares with the relevant share certificates to the H Share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 13 April 2012.

**2. RECOMMENDATION OF FINAL DIVIDEND, WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT LEGAL PERSONS AND OVERSEAS RESIDENT INDIVIDUAL SHAREHOLDERS**

The board of directors of the Company has recommended a final dividend of RMB0.06 per share (tax inclusive) in an aggregate amount of approximately RMB214,287,840 for the year ended 31 December 2011. If the above profit distribution proposal is approved by the shareholders at the AGM by way of Ordinary Resolution No. 4, the final dividend will be paid to the holders of H Share whose names appear on the register of members for H Shares of the Company on Friday, 25 May 2012.

Pursuant to the Law on Enterprise Income Tax of the PRC and its implementing rules which came into effect on 1 January 2008 and other relevant rules, the Company is required to withhold enterprise income tax at the rate of 10% before distributing the 2011 final dividend to non-resident enterprise shareholders as appearing on the register of members for H Shares of the Company. Any H Shares registered in the name of non-individual registered shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations will be treated as being held by non-resident enterprise shareholders

and therefore will be subject to the withholding of the enterprise income tax and therefore an enterprise income tax shall be withheld for their dividends receivables.

Pursuant to Notice on Matters Concerning the Levy and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 Document issued by the State Administration of Taxation on 28 June 2011, the dividend received by the overseas resident individual shareholders from the stocks issued by domestic non-foreign enterprises in Hong Kong is subject to individual income tax at a tax rate of 10% in general. However, the tax rates for respective resident individual shareholders may vary, depending on the relevant tax agreements between those countries where the overseas resident individual shareholders reside and China. Pursuant to the abovementioned notice, the Company will withhold 10% of the final dividend as individual income tax unless otherwise required by the relevant tax agreements, tax treaties or notice.

### **3. PROXY**

- (1) Shareholders entitled to attend and vote at the AGM may appoint one or more proxies in writing to attend and vote at the meeting on his behalf. The proxy need not be a shareholder of the Company.
- (2) A proxy shall be appointed by a shareholder by a written instrument signed by the appointor or his attorney duly authorized in writing. In case of a corporation, the same must be either under its common seal or under hand of its director(s) or duly authorized attorney(s). If the written instrument is signed by an attorney of the appointor, the power of attorney or other documents of authorization of such attorney shall be notarized.
- (3) To be valid, the notarized power of attorney or other document(s) of authorization (if any) and the form of proxy shall be delivered to (i) the registered office address of Company for holders of domestic shares and unlisted foreign shares; and (ii) Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Company in Hong Kong, for holders of H shares, no less than 24 hours before the time fixed for convening the AGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person at the meeting if he so desires.
- (4) If a shareholder appoints more than one proxy, such proxies shall only exercise their voting rights by a poll.

### **4. REGISTRATION PROCEDURES FOR ATTENDING THE AGM**

- (1) A shareholder or his proxy shall produce his identification document when attending the AGM. Where a shareholder is a legal person, the legal representative of that shareholder or the person authorized by its board of directors or other governing body shall produce a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.
- (2) Shareholders intending to attend the AGM shall return to the Company the reply slip stating their attendance on or before Tuesday, 24 April 2012.
- (3) A shareholder may return the above reply slip to the Company in person, by post or by facsimile to the office of the Company or Computershare Hong Kong Investor Services Limited.

## **5. CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from Sunday, 15 April 2012 to Tuesday, 15 May 2012 (both days inclusive), during which period no transfer of shares will be registered.

The Register of Members will be closed from Monday, 21 May 2012 to Friday, 25 May 2012 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for receiving the dividend, all transfer documents of the holders of H Shares of the Company must be lodged at our H Shares Registrar at Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 18 May 2012.

## **6. METHOD OF VOTING AT THE AGM**

Pursuant to Rule 13.39 (4) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by way of poll. Accordingly, the chairman of the AGM will demand a poll in relation to all the proposed resolutions at the AGM.

## **7. MISCELLANEOUS**

- (1) The AGM of the Company is expected to be held for less than half a day. Shareholders attending the AGM shall be responsible for their own travelling and accommodation expenses.
- (2) The address of the Computershare Hong Kong Investor Services Limited, the H share registrar and transfer office of the Company in Hong Kong is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (3) The registered office and the contact details of the Company are:

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Xizhimennei  
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