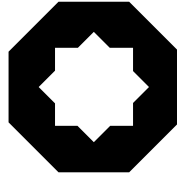


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CNBM

China National Building Material Company Limited*

中國建材股份有限公司

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

(Stock Code: 3323)

VOLUNTARY ANNOUNCEMENT

UPDATES ON RECENT DEVELOPMENTS IN THE GYPSUM BOARD LITIGATION IN THE US

China National Building Material Company Limited* (中國建材股份有限公司) (the “**Company**”, the Company and its subsidiaries, together, the “**Group**”) announces that it was notified by Beijing New Building Material Public Limited Company* (北新集團建材股份有限公司) (“**BNBM**”), a 52.4% held subsidiary of the Company, that as a result of the refusal of Taishan Gypsum Company Limited* (泰山石膏股份有限公司) (“**Taishan Gypsum**”), a 65% held subsidiary of BNBM, to participate in a recent Judgment Debtor Examination held in the United States District Court of Eastern District of Louisiana (the “**US District Court**”), the US District Court held Taishan Gypsum in contempt of court, ordering it to pay certain amounts of penalty and the plaintiffs’ attorney’s fees, enjoining Taishan Gypsum and its affiliates or subsidiaries from conducting any business in the United States (the “**US**”). Separately, other plaintiffs have recently initiated a new action in the US District Court claiming that the defendants’ gypsum board was installed in at least 3,700 homes, residences or other structures owned by the plaintiffs and class members. The plaintiffs claimed damages of more than US\$1,500 million against the defendants which included, among others, the Company, BNBM and Taishan Gypsum.

As stated in the voluntary announcement of the Company dated 18 July 2014, since Taishan Gypsum does not agree that the US courts have jurisdiction and objects to the substantive disputes being heard by a court without jurisdiction, even though Taishan Gypsum firmly believes, as supported by relevant scientific research, that its products are safe and up to standard, Taishan Gypsum has, after due and careful consideration, decided not to continue to participate in any gypsum board litigation in the US brought against it in the US courts. Taishan Gypsum has not changed such decision as a result of the above recent developments in the US gypsum board cases.

The US legal counsel of Taishan Gypsum is of the view that the above injunction order recently made by the US District Court imposing certain restrictions on the affiliates of Taishan Gypsum may extend to the Company. However, the Group's major assets and principal commercial activities are all located in China and since there is no convention or treaty on mutual recognition and enforcement of judgments between China and the US, the respective US and Chinese legal counsels of BNBM and Taishan Gypsum believe that the possibility of the US judgments being enforced in China is very low. Therefore, based on information currently available to the Company, the Company believes that the above recent developments in the gypsum board litigation in the US will not result in significant economic loss to the Group and will not have material adverse impact on the Group's production and operation.

This announcement is made on a voluntary basis.

1. INTRODUCTION

References are made to the overseas regulatory announcement of China National Building Material Company Limited* (中國建材股份有限公司) (the “**Company**”, the Company and its subsidiaries, together, the “**Group**”) dated 30 May 2010 in respect of an announcement released by Beijing New Building Material Public Limited Company* (北新集團建材股份有限公司) (“**BNBM**”), a 52.4% held subsidiary of the Company, relating to the gypsum board incident in the United States (the “**US**”), the information on the stage of development of the gypsum board cases in the US in the 2013 annual report of the Company and the voluntary announcement of the Company dated 18 July 2014 (the “**18 July Announcement**”).

2. FURTHER DEVELOPMENTS IN THE GYPSUM BOARD CASES IN THE US

The Company has been informed by BNBM that, as a result of the refusal of Taishan Gypsum Company Limited* (泰山石膏股份有限公司) (“**Taishan Gypsum**”), a 65% held subsidiary of BNBM, to participate in a recent Judgment Debtor Examination held in the United States District Court of Eastern District of Louisiana (the “**US District Court**”), the US District Court held Taishan Gypsum in contempt of court, ordering it to pay US\$15,000 in attorney’s fees to the plaintiffs’ counsel, to pay US\$40,000 as a penalty for contempt, enjoining Taishan Gypsum and its affiliates or subsidiaries from conducting any business in the US until or unless it participates in the judicial process, and, if it violates the injunction, to pay a further penalty of 25% of the profits earned by Taishan Gypsum or its affiliates who violate the order for the year of violation (the “**Injunction Order**”). Separately, Taishan Gypsum was notified that other plaintiffs have recently initiated a new action in the US District Court claiming that the defendants’ gypsum board was installed in at least 3,700 homes, residences or other structures owned by the plaintiffs and class members. The plaintiffs claimed damages of more than US\$1,500 million against the defendants which included, among others, the Company, BNBM and Taishan Gypsum.

The detailed reasons for Taishan Gypsum’s decision not to continue to participate in any gypsum board litigation in the US brought against it in the US courts were set out in the 18 July Announcement. As Taishan Gypsum does not agree that the US courts have jurisdiction and objects to the substantive disputes being heard by a court without jurisdiction, even though Taishan Gypsum firmly believes, as supported by relevant scientific research, that its products are safe and up to standard, Taishan Gypsum has, after due and careful consideration, decided not to continue to participate in any gypsum board litigation in the US brought against it in the US courts. Taishan Gypsum has not changed such decision as a result of the above recent developments in the US gypsum board cases.

3. IMPACT OF THE RECENT DEVELOPMENTS IN THE US GYPSUM BOARD LITIGATION

The impact of the US gypsum board litigation on the Company as of 18 July 2014 was set out in the 18 July Announcement. The US legal counsel of Taishan Gypsum is of the view that the Injunction Order recently made by the US District Court imposing certain restrictions on the affiliates of Taishan Gypsum may extend to the Company. However, the Group's major assets and principal commercial activities are all located in China and as stated in the 18 July Announcement, since there is no convention or treaty on mutual recognition and enforcement of judgments between China and the US, the respective US and Chinese legal counsels of BNBM and Taishan Gypsum believe that the possibility of the US judgments being enforced in China is very low. Therefore, based on information currently available to the Company, the Company believes that the above recent developments in the gypsum board litigation in the US will not result in significant economic loss to the Group and will not have material adverse impact on the Group's production and operation.

This announcement is made on a voluntary basis.

By order of the Board
China National Building Material Company Limited
Chang Zhangli
Secretary of the Board

Beijing, the PRC
20 August 2014

As at the date of this announcement, the board of directors of the Company comprises Mr. Song Zhiping, Mr. Cao Jianglin, Mr. Peng Shou, Mr. Cui Xingtai and Mr. Chang Zhangli, as executive directors, Mr. Guo Chaomin, Mr. Huang Anzhong and Ms. Cui Lijun, as non-executive directors, and Mr. Qiao Longde, Mr. Li Decheng, Mr. Ma Zhongzhi, Mr. Shin Fang and Mr. Wu Liansheng, as independent non-executive directors.

* *For identification only*