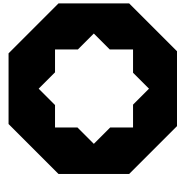


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CNBM

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 UPDATE ON LEGAL PROCEEDINGS

Reference is made to the announcement of China National Building Material Company Limited (the “**Company**”) dated 3 November 2014 in relation to the legal proceedings in connection with the subscription of approximately 16.67% of the issued share capital of China Shanshui Cement Group Limited (“**Shanshui Cement**”) as enlarged by the subscription shares.

The Company announces that a statement of claim (the “**Statement of Claim**”) was served on the Company’s legal adviser by the legal adviser of six individual minority shareholders (the “**Plaintiffs**”) of China Shanshui Investment Company Limited (a controlling shareholder of Shanshui Cement) on 23 January 2015. According to the Statement of Claim, the Plaintiffs seek, amongst other reliefs, an order that the Subscription Agreement entered into between the Company and Shanshui Cement on 27 October 2014 and the relevant subscription of shares in Shanshui Cement by the Company be set aside on the basis of various allegations, including allegations of breach of fiduciary duties on the part of Mr. Zhang Caikui, an executive director and the controlling shareholder of Shanshui Cement, and Mr. Zhang Bin, the Chairman and an executive director of Shanshui Cement (both also as the directors of Shanshui Cement and China Shanshui Investment Company Limited) and conspiracy with the Company to injure China Shanshui Investment Company Limited by unlawful means (the “**Allegations**”).

The Company is currently seeking legal advice on the Statement of Claim and the appropriate course of action in respect of the abovementioned action commenced by the Plaintiffs. The Company is prepared to defend the Allegations vigorously. The Company will make further announcement(s) in respect of the above matters as and when appropriate.

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
26 January 2015

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 Mr. Tao Zheng as non-executive directors, and Mr. Shin Fang, Mr. Tang Yunwei, Mr. Zhao Lihua, Mr. Wu Liansheng and Mr. Sun Yanjun as independent non-executive directors.

* *For identification only*