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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)

**ANNOUNCEMENT
UPDATE ON POSSIBLE OFFER BY
CHINA NATIONAL BUILDING MATERIAL COMPANY LIMITED
AND ASIA CEMENT CORPORATION TO ACQUIRE SHARES IN
CHINA SHANSHUI CEMENT GROUP LIMITED**

Reference is made to the monthly announcements of China National Building Material Company Limited (“CNBM”) setting out the progress of the Possible Offer and the joint announcement of CNBM and Asia Cement Corporation (“ACC”) dated 12 August 2015 in relation to the Possible Offer (collectively, the “Announcements”). Unless otherwise specified, terms defined in the Announcements shall have the same respective meanings when used herein.

CNBM noted the recent developments of Shanshui Cement including, without limitation, the changes in the board composition of Shanshui Cement, the disputes regarding the control of Shandong Shanshui Cement Group Co., Ltd. (a wholly owned subsidiary of Shanshui Cement) and the financial difficulties of Shanshui Cement. CNBM also noted the view of the independent auditor of Shanshui Cement expressed in its report for the consolidated financial statements of Shanshui Cement for the year ended 31 December 2015 that certain facts and circumstances indicate the existence of multiple material uncertainties that may cast significant doubt on Shanshui Cement's ability to continue as a going concern according to the extract of independent auditor's report in the preliminary results announcement of Shanshui Cement dated 31 March 2016. CNBM has been continuously assessing these latest developments of Shanshui Cement in the context of the Possible Offer. At the board meeting of CNBM held on 25 March 2016, the board of directors of CNBM had considered, among other things, the latest developments of Shanshui Cement and resolved that CNBM would continue its consideration of the Possible Offer. As at the date of this announcement, CNBM, as one of the Offerors, (i) is considering the terms of the Possible Offer, which is expected to be subject to certain pre-conditions; (ii) is in on-going discussions with ACC on the Possible Offer; and (iii) has not made any formal or legally binding offer in relation to Shanshui Cement.

This announcement is made by CNBM pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Offer will be made until announcement of firm intention to make a pre-conditional offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) regarding the Possible Offer in compliance with the Takeovers Code and the Listing Rules will be made as and when appropriate or required.

Warning: The Offerors are not obliged in any way to make the Possible Offer and if the Offerors do decide to proceed with the Possible Offer, the making of the Possible Offer is expected to be subject to the satisfaction of certain pre-conditions and the Possible Offer will, if made, be subject to the satisfaction or waiver (as the case may be) of a number of conditions. As such, the Possible Offer may or may not materialise, may or may not be made and may or may not become unconditional. Shareholders and potential investors of CNBM are advised to exercise caution when dealing in the securities of CNBM.

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

Beijing, the PRC, 11 April 2016

As at the date of this announcement, the board of directors of CNBM 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.

The directors of CNBM 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 best 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 statement in this announcement misleading.

* *For identification only*