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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, the latest of which was issued on 11 April 2016, and the joint announcement of CNBM and Asia Cement Corporation (“ACC”) dated 12 August 2015 in relation to the Possible Offer (collectively, the “Announcements”). Reference is also made to the announcement of Shanshui Cement dated 27 April 2016 regarding the subject matter of this announcement. Unless otherwise specified, terms defined in the Announcements shall have the same respective meanings when used herein.

CNBM received a letter from the Executive Director of the Corporate Finance Division of the Securities and Futures Commission (the “**Executive**”) on 26 April 2016 notifying it of the ruling (the “**Ruling**”) that the Executive had made at the application by Shanshui Cement, that:

- (A) CNBM and ACC must by 5:00 p.m. on 26 May 2016 (the “**Deadline**”) either (i) announce a firm intention to make an offer for Shanshui Cement under Rule 3.5 of the Takeovers Code which may be in the form of a preconditional Rule 3.5 announcement; or (ii) announce the decision that they do not intend to make an offer for Shanshui Cement; or (iii) inform Shanshui Cement that they do not intend to make an offer for Shanshui Cement;
- (B) no extension to the Deadline will be granted, except with the consent of the Executive;
- (C) if, on or before the Deadline, CNBM and ACC (i) make an announcement under (A)(ii) above; or (ii) inform Shanshui Cement that they do not intend to make an offer for Shanshui Cement under (A)(iii) above, CNBM, ACC or any person(s) acting in concert with either of them will, except with the consent of the Executive, be bound by the restrictions contained in Rule 31.1(c) of the Takeovers Code for six months from the date of such announcement or notification; and
- (D) if, on or before the Deadline, CNBM and ACC (i) do not make an announcement under (A)(i) or (A)(ii) above; or (ii) do not inform Shanshui Cement of the decision under (A)(iii) above, CNBM, ACC or any person(s) acting in concert with either of them will, except with the consent of the Executive, be bound by the restrictions contained in Rule 31.1(b) of the Takeovers Code for six months from the Deadline.

As at the date of this announcement, CNBM, as one of the Offerors, is considering its options in respect of the Ruling and has not made any formal or legally binding offer in relation to Shanshui Cement.

Further announcement(s) regarding the Possible Offer in the light of the above or in compliance with the Takeovers Code and the Listing Rules will be made as and when appropriate or required.

This announcement is made by CNBM on a voluntary basis.

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, 28 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 purposes only*