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China National Materials Company Limited

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

UPDATE ANNOUNCEMENT IN RELATION TO THE POSSIBLE STRATEGIC REORGANIZATION

Reference is made to the announcement of China National Materials Company Limited (the "**Company**") dated 25 January 2016 in relation to the possible strategic reorganization (the "**Strategic Reorganization**") between China National Materials Group Corporation Ltd. and China National Building Materials Group Corporation (the "**CNBM Group**") under contemplation. The Strategic Reorganization is still subject to the approval of competent regulatory authorities.

The Company was recently informed that the Securities and Futures Commission of Hong Kong, pursuant to Note 6(a)(i) to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"), has waived the obligation on the part of CNBM Group to make a mandatory general offer for the shares of the Company arising as a result of the Strategic Reorganization.

The Company will make further announcement(s) with regards to the progress of the Strategic Reorganization as and when required under the Takeovers Code and/or the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

There is no assurance that the Strategic Reorganization will materialise or eventually be consummated. Shareholders of the Company and the public investors should exercise extreme caution when dealing in the securities of the Company. Further announcement(s) will be made by the Company as and when appropriate in respect of the Strategic Reorganization.

By order of the Board
CHINA NATIONAL MATERIALS COMPANY LIMITED
Liu Zhijiang
Chairman of the Board

Beijing, China
27 July 2016

As at the date of this announcement, the executive directors of the Company are Mr. Liu Zhijiang and Mr. Peng Jianxin, the non-executive directors of the Company are Mr. Yu Shiliang, Mr. Li Xinhua, Mr. Li Jianlun, Mr. Yu Guobo and Mr. Tang Baoqi, and the independent non-executive directors of the Company are Mr. Leung Chong Shun, Mr. Lu Zhengfei, Mr. Wang Shimin and Mr. Zhou Zude.

The directors 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.

Please also refer to the published version of this announcement on the Company's website.