

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
RECENT DEVELOPMENTS IN
THE GYPSUM BOARD LITIGATION IN THE US**

References are made to the overseas regulatory announcement of China National Building Material Company Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 May 2010 reproducing the announcement of Beijing New Building Material Public Limited Company* (北新集團建材股份有限公司) (“**BNBM**”), a 35.73% held subsidiary of the Company, relating to the gypsum board incident in the United States (the “**US**”), and the announcements of the Company dated 18 July 2014, 20 August 2014, 13 February 2015 and 13 March 2015, the 2014 annual report, the 2015 interim report, the 2015 third quarterly report, the 2015 annual report, the 2016 interim report and the 2016 annual report of the Company setting out information on the subsequent development of the gypsum board litigation in the US.

FURTHER DEVELOPMENTS IN THE GYPSUM BOARD LITIGATION IN THE US

Having considered factors including costs of litigation and potential impact on other gypsum board litigation to which BNBM and/or Taishan Gypsum Company Limited* (泰山石膏股份有限公司) (“**Taishan Gypsum**”, a wholly-owned subsidiary of BNBM) are parties, each of BNBM and Taishan Gypsum has reached settlement with the plaintiffs of one of the gypsum board cases, namely Lennar Homes, LLC and U.S. Home Corporation (collectively, “**Lennar**”).

According to their respective terms of settlement with Lennar, BNBM and Taishan Gypsum have agreed to pay Lennar US\$500,000 and US\$6,000,000, respectively, in instalments by 31 July 2017, in full and final settlement of Lennar's respective claims against BNBM and Taishan Gypsum, and Lennar has agreed to withdraw all claims and allegations against BNBM and Taishan Gypsum, respectively, from the Eleventh Judicial Circuit Court of Florida within three working days of receiving in full the respective settlement amounts.

The respective terms of the settlement expressly provide that settlement has been reached in the interest of avoiding or reducing fees and expenses incurred from litigation and should not be interpreted as any admission on the part of BNBM and Taishan Gypsum of any defect in the gypsum board products of BNBM or Taishan Gypsum or of any liability in the case.

Please refer to the announcement of BNBM published on the website of the Shenzhen Stock Exchange on the date of this announcement for further details relating to the settlement.

FINANCIAL IMPACT ON THE COMPANY

The settlement amounts payable by BNBM and Taishan Gypsum in aggregate represent a relatively small proportion of the audited profit attributable to equity holders and revenue of the Company for the year ended 31 December 2016. Payment of the settlement amounts is not expected to adversely affect the ordinary operation of BNBM or Taishan Gypsum. The Company will continue to monitor the progress of the gypsum board litigation in the US and will make further announcements if and when necessary in accordance with regulatory requirements.

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, 22 June 2017

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. Chen Yongxin and Mr. Tao Zheng as non-executive directors, and Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Qian Fengsheng and Ms. Xia Xue, as independent non-executive directors.

* For identification purposes only