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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

NON-LEGALLY BINDING MEMORANDA OF UNDERSTANDING IN RELATION TO POTENTIAL CAPITAL INCREASE THROUGH ENLARGEMENT OF EQUITY CAPITAL IN A SUBSIDIARY

This announcement is made voluntarily by China National Building Material Company Limited* (the “**Company**”).

The board of directors of the Company is pleased to announce that on 20 October 2017 (after trading hours), the Company entered into a non-binding Memorandum of Understanding (“**MOU**”) with each of China Reform Holdings Corporation Ltd.* and China Chengtong Holdings Group Ltd.* (through China Structural Reform Fund Co., Ltd*) (together as the “**Strategic Investors**”), pursuant to which the Strategic Investors confirm their intention to subscribe for equity interests in China United Cement Corporation* (the “**Subsidiary**”), a wholly-owned subsidiary of the Company (the “**Proposed Capital Injection**”) with cash for the purpose of improving the profitability and shareholder returns of the Company. The initial intention of the Strategic Investors is to make a capital contribution of no more than approximately RMB8.5 billion to the Subsidiary, which will be used to improve the financial structure, reduce financial costs, enhance the standard of production and operation and promote industrial transformation and upgrading in general. The Proposed Capital Injection by each Strategic Investor and its implementation will be subject to the internal and external approvals and decision-making concerning each party.

As at the date of this announcement, each of the Strategic Investors indirectly owns approximately 1.5% of the total issued shares of the Company, respectively. Both Strategic Investors are state-owned enterprises controlled by the State-owned Assets Supervision and Administration Commission of the State Council.

As the MOU is not legally binding, the final terms of the Proposed Capital Injection are subject to determination by the parties and the Proposed Capital Injection may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, the PRC
22 October 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*