

Unless otherwise defined in this announcement, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 30 November 2010 (the “Prospectus”) issued by China New Materials Holdings Limited (the “Company”).

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Global Offering described below before deciding whether or not to invest in the Offer Shares.

This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States except pursuant to registration or an exemption from registration requirements under the U.S. Securities Act. The Hong Kong Offer Shares are being offered and sold outside the United States in offshore transactions in accordance with Rule 903 or Rule 904 of Regulation S under the US Securities Act. There will not and is not currently intended to be any public offering of securities of the Company in the United States.

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CHINA NEW MATERIALS HOLDINGS LIMITED

中國新材控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code: 1887

GLOBAL OFFERING NOT TO PROCEED

In view of an unserved writ of summons dated 10 December 2010 and issued at the High Court of Hong Kong, whereby a member of the Group and the chairman of the Company were named as co-defendants with another non-group entity, and certain operational assets of the Group were made the subject matter of the said writ of summons, the Company considers it is in the best interests of the potential investors that additional time is allowed to the Company to consider the possible impacts arising from such writ of summons on the Global Offering and not to proceed with the Global Offering according to the original timetable as stated in the Prospectus.

The Company would like to express its gratitude to all investors who expressed an interest in the Global Offering as well as the consistently positive feedbacks the Company received from them during the preparations for the Global Offering.

Share certificates for the Hong Kong Offer Shares already despatched will not constitute valid certificates of title and will be deemed cancelled. The Company would like to reiterate a cautionary statement stated in Note 6 to the section headed “Expected Timetable” of the Prospectus, namely, “Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates becoming valid certificates of title do so entirely at their own risk”.

Application monies regarding shares that would have been allotted based on the final offer price of HK\$2.33 (excluding that of invalid applications) in respect of applications made on WHITE or YELLOW Application Forms for Hong Kong Offer Shares (including brokerage of 1%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%) will be refunded in full without interest by cheques by ordinary post on 15 December 2010 at the applicants’ own risk.

Application monies regarding shares that would have been allotted based on the final offer price of HK\$2.33 (excluding that of invalid applications) in respect of applications made under White Form eIPO for Hong Kong Offer Shares (including brokerage of 1.0%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%) will be refunded in full without interest. In the case of application monies paid from a single bank account, e-Refund payment instructions will be despatched for credit to the respective application payment bank accounts on 15 December 2010. In the case of application monies paid from multiple bank accounts, refund cheques will be despatched to the applicants’ address as specified in their White Form eIPO application by ordinary post on 15 December 2010 at the applicants’ own risk.

Applicants who applied for Hong Kong Offer Shares by giving electronic application instructions to HKSCC will have all amounts paid on application regarding shares that would have been allotted based on the final offer price of HK\$2.33 (excluding invalid applications) (including brokerage of 1.0%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%) credited to their designated bank accounts or the designated bank accounts of their brokers or custodians without interest on 15 December 2010.

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RETURN OF CHEQUES OR REFUND OF APPLICATION MONIES

Application monies regarding shares that would have been allotted based on the final offer price of HK\$2.33 (excluding that of invalid applications) in respect of valid applications made on **WHITE** or **YELLOW** Application Forms for Hong Kong Offer Shares (including brokerage of 1.0%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%) will be refunded in full without interest by cheques by ordinary post on 15 December 2010 at the applicants’ own risk.

If you have applied for less than 1,000,000 Hong Kong Offer Shares, or have applied for 1,000,000 Hong Kong Offer Shares or more and have not indicated in your **WHITE** or **YELLOW** Application Forms that you wish to collect your refund cheque(s) in person, your refund cheque will be despatched to you by ordinary post without interest to the address indicated on the relevant Application Form on 15 December 2010 at your own risk.

If you have applied for 1,000,000 Hong Kong Offer Shares or more on a **WHITE** or **YELLOW** Application Form and have indicated your intention in your Application Form to collect your refund cheque(s) from Computershare Hong Kong Investor Services Limited and have provided all information required by your Application Form, you may collect your refund cheque(s) from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong from 9:00 a.m. to 1:00 p.m. on 15 December 2010. If you are an individual and you opt for personal collection, you must not authorise any other person to make the collection on your behalf. If you are a corporate applicant which opts for personal collection, you must attend by your authorised representative bearing a letter of authorisation from your corporation stamped with your company chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to Computershare Hong Kong Investor Services Limited. If you do not collect your refund cheque(s) within the time period specified for collection, they will be despatched thereafter to you by ordinary post to the address as specified in your Application Form at your own risk.

All refund cheques will be crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for all application monies. Part of the applicant’s Hong Kong Identity Card number/passport number, or, in the case of joint applicants, part of the Hong Kong Identity Card number/passport number of the first-named applicant, may be printed on the refund cheque.

Cheques received from applicants in respect of invalid applications made on **WHITE** or **YELLOW** Application Forms for Hong Kong Offer Shares have not been cleared and have been returned to the relevant applicants together with the **WHITE** or **YELLOW** Application Forms (as the case may be) without interest by ordinary post to the address as specified in the relevant Application Form at the applicants’ own risk.

Application monies regarding shares that would have been allotted based on the final offer price of HK\$2.33 (excluding that of invalid applications) in respect of applications made under **White Form eIPO** for Hong Kong Offer Shares (including brokerage of 1.0%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%) will be refunded in full without interest. In the case of application monies paid from a single bank account, e-Refund payment instructions will be despatched for credit to the respective application payment bank accounts on 15 December 2010. In the case of application monies paid from multiple bank accounts, refund cheques will be despatched to the applicants' address as specified in their **White Form eIPO** application by ordinary post on 15 December 2010 at the applicants' own risk. All refund cheques will be crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for all application monies. Part of the applicant's Hong Kong Identity Card number/passport number, or, in the case of joint applicants, part of the Hong Kong Identity Card number/passport number of the first-named applicant, may be printed on the refund cheque.

Applicants who applied for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC will have all amounts paid on application regarding shares that would have been allotted based on the final offer price of HK\$2.33 (excluding invalid applications) (including brokerage of 1.0%, SFC transaction levy of 0.003% and Hong Kong Stock Exchange trading fee of 0.005%) credited to their designated bank accounts or the designated bank accounts of their brokers or custodians without interest on 15 December 2010.

Applicants who have instructed their brokers or custodians to give **electronic application instructions** on their behalf can check the amounts of refund monies payable to them with those brokers or custodians.

Applicants who applied as a CCASS Investor Participant can check the amounts of refund monies payable to them via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on 15 December 2010. Immediately after the credit of refund monies to the applicants' bank accounts, HKSCC will also make available to them an activity statement showing the amounts of refund monies credited to their designated bank accounts.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

By order of the Board
China New Materials Holdings Limited
Zhang Kaijun
Chairman

Hong Kong, 10 December 2010

As at the date of this announcement, the Company's executive Directors are Mr. Zhang Kaijun, Mr. Huang Cheng, Mr. Lu Wei and Mr. Wong Yee Shuen Wilson, the Company's non-executive Directors are Mr. Qin Kebo and Mr. Wu Chi Chiu and the Company's independent non-executive Directors are Mr. Chan Ngai Sang Kenny, Mr. Guo Tianyong and Mr. Lee Kwan Hung.