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**SINOma**

**中國中材股份有限公司**  
**China National Materials Company Limited**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 1893)**

**ANNOUNCEMENT**  
**CHANGE OF AUDITORS**

Pursuant to the resolution passed by the Shareholders in the annual general meeting of the Company held on 20 June 2008, PwC was appointed as the international auditors of the Company for the year ending 31 December 2008. The office of PRC auditors of the Company for the year ending 31 December 2008 was vacant.

The Company was informed by Parent that (i) Parent had been required by SASAC to conduct a financial audit of Parent and its subsidiaries (including the Group) for the financial year ending 31 December 2008 in accordance with the Notices; and (ii) Parent had been required to appoint SHINEWING and Wan Long, as designated by SASAC through a public tender process, to conduct a financial audit of Parent and its subsidiaries (including the Group) for the financial year ending 31 December 2008.

In accordance with the Notices, the Company is required to appoint (i) SHINEWING as its PRC auditors; and (ii) SHINEWING HK as its international auditors in substitution of PwC, respectively, for the financial year ending 31 December 2008. Given the above circumstances, PwC has submitted its resignation as the international auditors of the Company.

The Board proposes to appoint (i) SHINEWING as its PRC auditors; and (ii) SHINEWING HK as its international auditors in substitution of PwC, respectively, for the financial year ending 31 December 2008, with effect from the close of the EGM in accordance with the Articles of Association.

A circular containing details of the proposed change of auditors, together with the notice of the EGM and the form of proxy, is expected to be dispatched to the Shareholders on or around Friday, 31 October 2008.

This announcement is made pursuant to Rule 13.51(4) of the Hong Kong Listing Rules.

## **INTRODUCTION**

Pursuant to the resolution passed by the Shareholders in the annual general meeting of the Company held on 20 June 2008, PwC was appointed as the international auditors of the Company for the year ending 31 December 2008. The office of PRC auditors of the Company for the year ending 31 December 2008 was vacant.

The Company was informed by Parent that (i) Parent had been required by SASAC to conduct a financial audit of Parent and its subsidiaries (including the Group) for the financial year ending 31 December 2008 in accordance with the Notices; and (ii) Parent had been required to appoint SHINEWING and Wan Long, as designated by SASAC through a public tender process, to conduct a financial audit of Parent and its subsidiaries (including the Group) for the financial year ending 31 December 2008.

In accordance with the Notices, the Company is required to appoint (i) SHINEWING as its PRC auditors; and (ii) SHINEWING HK as its international auditors in substitution of PwC, respectively, for the financial year ending 31 December 2008. Given the above circumstances, PwC has submitted its resignation as the international auditors of the Company.

## **CHANGE OF AUDITORS**

The Board proposes to appoint (i) SHINEWING as its PRC auditors; and (ii) SHINEWING HK as its international auditors in substitution of PwC, respectively, for the financial year ending 31 December 2008, with effect from the close of the EGM in accordance with the Articles of Association.

The Company has received a confirmation letter from PwC that there are no matters that need to be brought to the attention of the Shareholders in connection with the above change.

PwC has not commenced any audit services in relation to the annual results of the Company for the year ending 31 December 2008 and such audit services will be undertaken by SHINEWING HK following the approval by the Shareholders at the EGM in respect of the proposed change of auditors. The Board is of the view that the proposed change of international auditors will not affect the release of the annual results of the Company for the year ending 31 December 2008.

The Company shall further consider its choice of auditors for its annual financial audit after 31 December 2008 and shall comply with the relevant disclosure requirements under the Hong Kong Listing Rules in due course.

## **GENERAL**

The proposed appointment of (i) SHINEWING as the PRC auditors of the Company; and (ii) SHINEWING HK as the international auditors of the Company in substitution of PwC, respectively, for the financial year ending 31 December 2008, are subject to the approval by the Shareholders by way of an ordinary resolution at the EGM.

A circular containing details of the proposed change of auditors, together with the notice of the EGM and the form of proxy, is expected to be dispatched to the Shareholders on or around Friday, 31 October 2008.

This announcement is made pursuant to Rule 13.51(4) of the Hong Kong Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Articles of Association”	the articles of the association of the Company
“Board”	the board of directors of the Company
“Company”	China National Materials Company Limited (中國中材股份有限公司), a joint stock limited company incorporated under the laws of the PRC on 31 July 2007, the H shares of which are listed on the Hong Kong Stock Exchange
“EGM”	the extraordinary general meeting of the Company to be held at Jinxiang Room, Empark Grand Hotel, Beijing, No. 69 Banjing Road, Haidian District, Beijing, the PRC at 2:30 p.m. on Tuesday, 16 December 2008
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notices”	the relevant notices issued by SASAC regarding central – controlled enterprise financial auditing in 2008
“Parent”	China National Materials Group Corporation (中國中材集團公司), a state-owned enterprise established under the laws of the PRC and the controlling shareholder of the Company
“PRC”	the People’s Republic of China, which for the purposes of this announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PwC”	PricewaterhouseCoopers (羅兵咸永道會計師事務所)
“SASAC”	the State-Owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會)
“Shareholders”	the shareholders of the Company
“SHINEWING”	SHINEWING Certified Public Accountants (信永中和會計師事務所)

“SHINEWING HK”	SHINEWING (HK) CPA Limited (信永中和(香港)會計師事務所有限公司)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Wan Long”	Wan Long Certified Public Accountants (萬隆會計師事務所)

By order of the Board  
**CHINA NATIONAL MATERIALS COMPANY LIMITED**  
**Tan Zhongming**  
*Chairman of the Board*

Beijing, 29 October 2008

*As at the date of this announcement, the executive Directors are Mr. Tan Zhongming and Mr. Yu Shiliang, the non-executive Directors are Mr. Liu Zhijiang, Mr. Zhou Yuxian and Mr. Chen Xiaozhou, and the independent non-executive Directors are Mr. Yang Yuzhong, Mr. Zhang Lailiang, Mr. Zhang Qiusheng and Mr. Leung Chong Shun.*

*Please also refer to the published version of this Announcement on the Company’s website.*