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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)

POSITIVE PROFIT ALERT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Company wishes to inform its shareholders and potential investors that based on preliminary estimates of the unaudited consolidated management accounts of the Group, the consolidated profit attributable to the owners of the Company for the six months ended 30 June 2014 is expected to increase by more than 200% as compared to the same period of last year.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China National Materials Company Limited (the "**Company**") and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Company wishes to inform its shareholders and potential investors that based on preliminary estimates of the unaudited consolidated management accounts of the Group, the consolidated profit attributable to the owners of the Company for the six months ended 30 June 2014 is expected to increase by more than 200% as compared to the same period of last year.

The board of directors of the Company (the "**Board**") considers that the expected increase in the consolidated profit attributable to the owners of the Company for the six months ended 30 June 2014 as compared to the same period of last year is mainly attributable to the following factors: (i) that the net profit attributable to shareholders of Sinoma Cement Co., Ltd. (中材水泥有限責任公司), a wholly-owned subsidiary of the Company, is expected to increase by approximately 700% as compared to the same period of last year as a result of the increase in the selling prices of products, as well as (ii) that the operating results of Taishan Fiberglass Inc. (泰山玻璃纖維有限公司), a wholly-owned subsidiary of the Company, achieve the turnaround from loss to profit as compared to the same period of last year, and its net profit attributable to shareholders of the company for the six months ended 30 June 2014 is expected to increase by approximately RMB 100 million as compared to the same period of last year as a result of the increase in the sales volume and prices of products and the decline in unit production cost.

The information in this announcement is based on a preliminary assessment by the management of the Company with reference to the management accounts of the Group which are neither audited nor reviewed. Detailed financial information will be disclosed in the results of the Company for the six months ended 30 June 2014 to be published before the end of August of 2014.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, the PRC

28 July 2014

As at the date of this announcement, the executive directors of the Company are Mr. Liu Zhijiang and Mr. Li Xinhua, the non-executive directors of the Company are Mr. Yu Shiliang, Mr. Zhang Hai, 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.

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