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China National Materials Company Limited

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)

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

(Stock code: 1893)

### JOINT ANNOUNCEMENT

- (1) MERGER OF CNBM AND SINOMA
- (2) MAJOR TRANSACTION AND CONNECTED TRANSACTION FOR CNBM
- (3) SPECIFIC MANDATE BY CNBM TO ISSUE CNBM H
  SHARES AND CNBM UNLISTED SHARES
  (4) PROPOSED AMENDMENTS TO
  THE ARTICLES OF ASSOCIATION OF CNBM
  AND
  - (5) RESUMPTION OF TRADING



Morgan Stanley 摩 根 士 丹 利

in no particular order Joint Financial Advisers to CNBM

#### **SUMMARY**

#### 1. INTRODUCTION

The CNBM's Board and the Sinoma's Board are pleased to jointly announce that on 8 September 2017, CNBM and Sinoma entered into the Merger Agreement pursuant to which CNBM and Sinoma will implement the Merger subject to the terms and conditions of the Merger Agreement. After the Merger, Sinoma will be merged into and absorbed by CNBM in accordance with the PRC Company Law and other applicable PRC Laws.

#### 2. PROPOSED MERGER

The Exchange Ratio is 1.00 Sinoma Share to exchange for 0.85 CNBM Share, meaning that CNBM will issue:

- (i) 0.85 CNBM H Share to exchange for 1.00 Sinoma H Share; and
- (ii) 0.85 CNBM Unlisted Share to exchange for 1.00 Sinoma Unlisted Share.

The Exchange Ratio agreed by CNBM and Sinoma has given due consideration to factors such as capital market performance, business and operating results of CNBM and Sinoma.

#### 3. IMPLICATIONS UNDER THE LISTING RULES

The highest relevant percentage ratio for transaction classification under the Listing Rules in respect of the relevant acquisition and the issue and exchange of CNBM H Shares and CNBM Unlisted Shares pursuant to the Merger exceeds 25% and is lower than 100%. As a result, the Merger will constitute a major acquisition for CNBM under Chapter 14 of the Listing Rules.

Also, as CNBM Parent, the controlling shareholder of CNBM, controls more than 30% of the equity interest in Sinoma through Sinoma Parent which is a wholly-owned subsidiary of CNBM Parent, Sinoma is an associate (as defined under the Listing Rules) of CNBM Parent and hence a connected person of CNBM under the Listing Rules. The Merger therefore also constitutes a connected transaction of CNBM under Chapter 14A of the Listing Rules.

Further, pursuant to Rule 19A.38 of the Listing Rules, the issue of the new CNBM H Shares and CNBM Unlisted Shares pursuant to the Merger will be pursuant to a special mandate which requires approvals by a special resolution by a majority of not less than

two-thirds of the votes cast by way of poll by each of the CNBM Shareholders at the CNBM EGM, the CNBM Domestic Shareholders at the CNBM Domestic Shareholders' Class Meeting and the CNBM H Shareholders at the CNBM H Shareholders' Class Meeting.

#### 4. RESUMPTION OF TRADING

At the request of CNBM, trading in the CNBM H Shares on the Stock Exchange was suspended from 9:00 a.m. on 7 September 2017. An application has been made by CNBM to the Stock Exchange for the resumption of trading in the CNBM H Shares from 9:00 a.m. on 11 September 2017.

At the request of Sinoma, trading in the Sinoma H Shares on the Stock Exchange was suspended from 9:00 a.m. on 7 September 2017. An application has been made by Sinoma to the Stock Exchange for the resumption of trading in the Sinoma H Shares from 9:00 a.m. on 11 September 2017.

CNBM Shareholders, Sinoma Shareholders and potential investors in the securities of CNBM and/or the securities of Sinoma should be aware that the Merger is subject to the conditions set out in this joint announcement being satisfied or waived, as applicable, and neither CNBM nor Sinoma provides any assurance that any or all conditions can be satisfied, and the Merger may or may not be completed before the expiry of the validity period of the approval of the Merger by CNBM's Board or Sinoma's Board, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. CNBM Shareholders, Sinoma Shareholders and potential investors in the securities of CNBM and/or the securities of Sinoma should therefore exercise caution when dealing in CNBM Shares or Sinoma Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

#### NOTICE TO U.S. HOLDERS OF CNBM SHARES AND SINOMA SHARES

The Merger will involve the exchange of securities of two companies incorporated in the PRC with limited liability and is subject to Hong Kong disclosure requirements, which are different from those of the United States. The financial statements included in this announcement have been prepared in accordance with Hong Kong Financial Reporting Standards and PRC GAAP and thus may not be comparable to financial statements of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

U.S. holders of CNBM Shares or Sinoma Shares may encounter difficulty enforcing their rights and any claims arising under the U.S. federal securities laws, as each of CNBM and Sinoma is located in a country outside the United States and some or all of their respective officers and directors may be residents of a country other than the United States. U.S. holders of CNBM Shares or Sinoma Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, U.S. holders of CNBM Shares or Sinoma Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

#### 1. INTRODUCTION

The CNBM's Board and the Sinoma's Board are pleased to jointly announce that on 8 September 2017, CNBM and Sinoma entered into the Merger Agreement pursuant to which CNBM and Sinoma will implement the Merger subject to the terms and conditions of the Merger Agreement. After the Merger, Sinoma will be merged and absorbed by CNBM in accordance with the PRC Company Law and other applicable PRC Laws.

#### 2. BACKGROUND INFORMATION OF THE MERGER

#### (1) Merger of CNBM Parent and Sinoma Parent

As approved by the SASAC, Sinoma Parent was transferred to CNBM Parent at nil consideration and became a wholly-owned subsidiary of CNBM Parent after the completion of the registration with relevant industry and commerce authorities (the "Parents Reorganisation"). The Parents Reorganisation was part of the supply side reform initiative aiming at improving the operational efficiency and achieving synergies of the cement industry in the PRC from both revenue and cost perspectives. As disclosed in the announcements of CNBM and Sinoma both dated 8 March 2017, CNBM and Sinoma received notification from CNBM Parent, respectively, that the registration regarding the Parents Reorganisation with the relevant industry and commerce authorities in the PRC was completed.

#### (2) Information on CNBM

CNBM, a state-owned enterprise, is a joint stock company incorporated in the PRC with limited liability. CNBM Group is mainly engaged in the cement, lightweight building materials, glass fibre, composite materials and engineering services businesses.

CNBM is owned directly and indirectly as to approximately 41.27% by CNBM Parent which is in turn wholly-owned by the SASAC.

CNBM is the largest cement company in the PRC with a total capacity of approximately 409 million tonnes (as at 30 June 2017).

Set out below is the financial information of CNBM Group (as extracted from the published financial statements of CNBM prepared in accordance with the International Financial Reporting Standards) for the two financial years ended 31 December 2015 and 31 December 2016 and the six months ended 30 June 2017.

	For the year ended 31 December 2015 (RMB million) (audited)	For the year ended 31 December 2016 (RMB million) (audited)	For the six months ended 30 June 2017 (RMB million) (unaudited)
Total assets	329,819	340,754	348,357
Equity attributable to shareholders of the company	41,916	41,850	42,557
Revenue	100,362	101,547	53,362
Profit attributable to shareholders of the company	1,019	1,058	885

#### (3) Information on Sinoma

Sinoma, a state-owned enterprise, is a joint stock company incorporated in the PRC with limited liability. Sinoma Group is principally engaged in three business segments, namely cement equipment and engineering services, cement and high-tech materials, including glass fibre, composite materials, synthetic crystals and advanced ceramics.

Sinoma is owned directly and indirectly as to approximately 43.87% by Sinoma Parent which is in turn wholly-owned by CNBM Parent.

Sinoma is a leading cement engineering company and the fourth largest cement company in the PRC with a total capacity of approximately 112 million tonnes (as at 30 June 2017). Among Sinoma's subsidiaries, Sinoma International Engineering Co., Ltd., Ningxia Building Materials Group Co., Limited and Gansu Qilianshan Cement Group Company Limited are listed on the Shanghai Stock Exchange; Sinoma Science & Technology Co., Ltd. and Xinjiang Tianshan Cement Co., Ltd. are listed on the Shenzhen Stock Exchange.

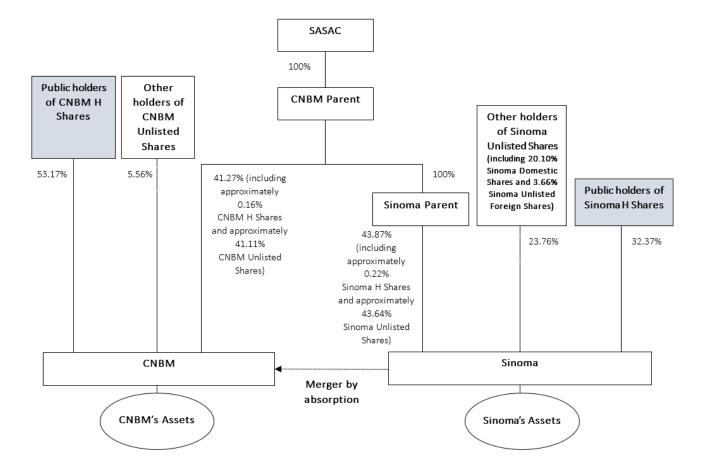
Set out below is the financial information of Sinoma Group (as extracted from the published financial statements of Sinoma prepared in accordance with PRC GAAP) for the two financial years ended 31 December 2015 and 31 December 2016 and the six months ended 30 June 2017.

	For the year ended 31 December 2015 (RMB million) (audited)	For the year ended 31 December 2016 (RMB million) (audited)	For the six months ended 30 June 2017 (RMB million) (unaudited)
Total assets	102,618	102,423	107,866
Ownership interests attributable to shareholders of the company	14,977	16,642	17,929
Revenue	53,259	50,577	25,106
Net profit attributable to shareholders of the company	804	585	596

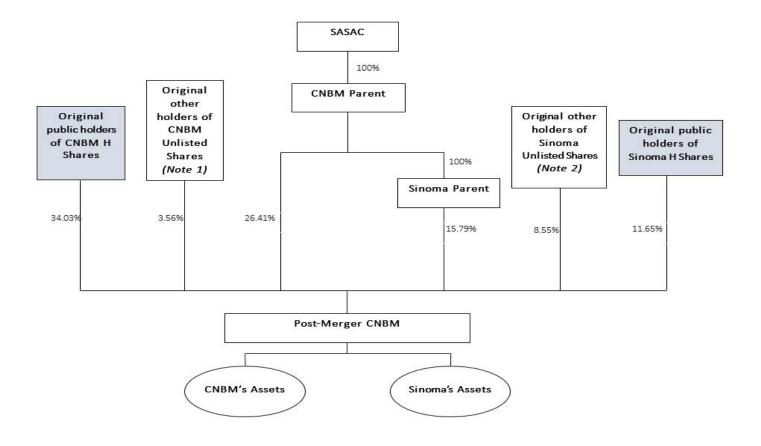
#### (4) Shareholding structure chart before and after the Merger

CNBM and Sinoma propose to implement the Merger by way of a merger by absorption and share-exchange. Under the Merger, CNBM will issue CNBM H Shares and CNBM Unlisted Shares to the Sinoma Share-Exchange Shareholders to merge with Sinoma by absorption, the Sinoma H Shares will be delisted from the Stock Exchange and cancelled and Sinoma will be deregistered. The following charts show the shareholding structure before and after the Merger:

Merger of CNBM and Sinoma by way of absorption and share-exchange:



#### *Immediately after the Closing Date:*



#### Notes:

- 1. Includes the Third Party Provider(s) which will pay cash to CNBM Dissenting Shareholders who exercise their right as payment for their CNBM Shares (if any).
- Includes the Third Party Provider(s) which will pay cash to Sinoma Dissenting Shareholders who exercise
  the right as payment for their Sinoma Shares (if any) and will subsequently exchange such shares into
  CNBM Shares at the Exchange Ratio.

## (5) Rights and interests in CNBM Shares and Sinoma Shares and respective derivatives

As at the date of this joint announcement:

- (i) there is no existing holding of voting rights and rights over Sinoma Shares which CNBM owns or over which it has control or direction;
- (ii) there is no existing holding of voting rights and rights over Sinoma Shares which is owned or controlled or directed by any person acting in concert with

CNBM, except that CNBM Parent wholly-owns Sinoma Parent, which owns approximately 43.87% in and consolidates the accounts of Sinoma, and CICC, one of the joint financial advisers to CNBM in respect of the Merger, owns 3,596,000 Sinoma H Shares, representing approximately 0.10% in Sinoma's total issued share capital;

- (iii) there is no existing holding of voting rights and rights over Sinoma Shares in respect of which CNBM or any person acting in concert with it has received an irrevocable commitment in relation to the voting of the resolutions in respect of the Merger;
- (iv) there is no existing holding of voting rights and rights over Sinoma Shares in respect of which CNBM or any person acting in concert with it holds convertible securities, warrants or options;
- (v) there is no outstanding derivative in respect of securities in Sinoma entered into by CNBM or any person acting in concert with it (except those which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code);
- (vi) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to CNBM Shares or Sinoma Shares and which might be material to the Merger;
- (vii) there is no agreement or arrangement (other than the Merger Agreement) to which CNBM is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition of the Merger; and
- (viii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Sinoma which CNBM or any person acting in concert with it has borrowed or lent.

#### 3. PROPOSED MERGER

(1) CNBM to Issue CNBM H Shares and CNBM Unlisted Shares in Exchange for Sinoma H Shares and Sinoma Unlisted Shares

CNBM proposes to issue 989,525,898 CNBM H Shares in exchange for all of the issued Sinoma H Shares at the Exchange Ratio.

CNBM proposes to issue 2,046,218,502 CNBM Unlisted Shares in exchange for all of the issued Sinoma Unlisted Shares at the Exchange Ratio.

Assuming the Merger has become unconditional and the Share Exchange has taken place and there is no change in share capital structures of CNBM and Sinoma immediately before the Share Exchange, CNBM will, in accordance with the terms of the Merger Agreement, issue 3,035,744,400 CNBM Shares, consisting of 989,525,898 CNBM H Shares and 2,046,218,502 CNBM Unlisted Shares (comprising 1,935,044,267 CNBM Domestic Shares and 111,174,235 CNBM Unlisted Foreign Shares). Immediately after the Closing Date, the aggregate number of CNBM Shares will be 8,434,770,662, among which 3,868,697,794 will be CNBM H Shares representing approximately 45.87% of its total issued share capital and 4,566,072,868 will be CNBM Unlisted Shares representing approximately 54.13% of its total issued share capital.

Upon the Share Exchange, CNBM will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of Sinoma.

#### (2) Exchange Ratio and Basis of Determination

The Exchange Ratio is 1.00 Sinoma Share to exchange for 0.85 CNBM Share, meaning that CNBM will issue:

- (i) 0.85 CNBM H Share to exchange for 1.00 Sinoma H Share; and
- (ii) 0.85 CNBM Unlisted Share to exchange for 1.00 Sinoma Unlisted Share.

The Exchange Ratio agreed by CNBM and Sinoma has given due consideration to factors such as capital market performance, business and operating results of CNBM and Sinoma.

#### (3) Right of any Dissenting Shareholder

According to the CNBM's Articles and Sinoma's Articles and the PRC Company Law, any CNBM Dissenting Shareholder or Sinoma Dissenting Shareholder may request CNBM or Sinoma (as the case may be) or other CNBM Shareholders or Sinoma Shareholders (as the case may be) who have approved the Merger (collectively, the "Consenting Shareholders") to acquire its CNBM Shares or Sinoma Shares (as the case may be) at a "fair price". Under the Merger Agreement, CNBM and/or Sinoma (as the case may be) will designate a third party to undertake to assume such obligation of CNBM, Sinoma and/or the Consenting Shareholders (as the case may be). Please refer to the section headed "4. PRINCIPAL TERMS OF THE MERGER AGREEMENT" below.

Further details in relation to the right of the Dissenting Shareholders will be further announced by CNBM and Sinoma.

#### 4. PRINCIPAL TERMS OF THE MERGER AGREEMENT

On 8 September 2017, CNBM and Sinoma entered into the Merger Agreement in relation to the Merger. In addition to the terms set out in section headed "3. PROPOSED MERGER" above, the principal terms and conditions of the Merger Agreement include:

Parties	(1) CNBM; and					
	(2) Sinoma					
Overview of	The Merger will be implemented by CNBM merging Sinoma by					
the Merger	way of absorption and share-exchange, namely:					
	<ul> <li>(1) CNBM will issue (i) CNBM H Shares to the Sinoma Share-Exchange Shareholders holding Sinoma H Shares; and (ii) CNBM Unlisted Shares to the Sinoma Share-Exchange Shareholders holding Sinoma Unlisted Shares;</li> <li>(2) CNBM will apply to the Stock Exchange for the listing of, and permission to deal in, the CNBM H Shares to be issued pursuant to the Merger Agreement;</li> </ul>					
	(3) Sinoma will be delisted from the Stock Exchange and be deregistered; and					
	(4) Upon the Share Exchange, CNBM will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of Sinoma.					
	The Merger will be effective as provided for by the PRC Company Law and will be subject to the Listing Rules and the Takeovers Code.					
Consideration	The Sinoma Shares will be exchanged into CNBM Shares at the Exchange Ratio as follows:					

- 0.85 CNBM H Shares being issued in exchange for 1.00 Sinoma H Share;
- 0.85 CNBM Domestic Shares being issued in exchange for 1.00 Sinoma Domestic Share; and
- 0.85 CNBM Unlisted Foreign Shares being issued for 1.00 Sinoma Unlisted Foreign Share.

Application will be made to the Stock Exchange for the CNBM H Shares to be issued under the Merger to be listed and traded on the Stock Exchange.

During the period between date of the Merger Agreement and the Share Exchange Date, where there is any cash dividend distributed by CNBM and/or Sinoma, the Exchange Ratio will be adjusted based on the adjusted indicative value per share.

An indicative value of CNBM H Shares and/or Sinoma H Shares (as applicable) will be adjusted in accordance with the formula below:

P1 = P0 - D

Where:

P1 = the adjusted indicative value per H share after adjustment;

P0 = the indicative value per H share before adjustment; and

D = the distributed cash dividend per H share.

For information purpose, the indicative value stated as P0 (i) per each CNBM H Share means the closing price of each CNBM H Share on the Last Trading Date (the "Indicative Value of CNBM H Share"); (ii) per each Sinoma H Share means the Indicative Value of CNBM H Share multiplied by 0.85.

Accordingly, the Exchange Ratio will be adjusted based on the adjusted indicative value per each H share. The adjusted

Exchange Ratio for H shares and the adjusted Exchange Ratio for unlisted shares will be the same.

### Ranking of H shares and unlisted shares to be issued by CNBM

The CNBM H Shares and CNBM Unlisted Shares to be issued by CNBM pursuant to the Merger are not subject to any lien, pledge, charge or other restriction, and all relevant rights will be attached to such shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or after the issue date, and such shares will rank pari passu with the existing CNBM Shares, except for any existing restrictions on the rights in respect of any Sinoma Share which will remain effective on such new CNBM Shares to be issued by CNBM pursuant to the Merger.

# Treatment of fractions of shares

Under the Share Exchange pursuant to the Merger, the number of CNBM H Shares and CNBM Unlisted Shares obtained by Sinoma Share-Exchange Shareholders will be in whole numbers.

If the number of CNBM H Shares to be obtained by a Sinoma Shareholder through a share-exchange of Sinoma H Shares for CNBM H Shares at the Exchange Ratio will not result in a whole number, the Sinoma Share-Exchange Shareholders concerned will be ranked according to the fractional value after the decimal point from highest to lowest, and one additional CNBM H Share will be given to each such Sinoma Shareholder in such order until the aggregate number of H Shares actually exchanged is equal to the total number of CNBM H Shares proposed to be issued, i.e. 989,525,898 CNBM H Shares.

If the number of Sinoma Shareholders with the same fractional value after the decimal point is more than the number of remaining H Shares to be issued, CNBM H Shares will be allocated randomly by a computerised system until the aggregate number of CNBM H Shares actually exchanged is equal to the total number of CNBM H Shares proposed to be issued.

The method of dealing with fractions of CNBM H Shares described above will also apply to dealing with fractions of CNBM Unlisted Shares.

# Conditions to becoming effective

The Merger Agreement shall become effective upon satisfaction of all of the following conditions (none of which shall be capable of being waived):

- (1) the passing of special resolution(s) by a majority of not less than two-thirds of the votes cast by way of poll by the Independent CNBM Shareholders present and voting in person or by proxy at each of the CNBM EGM, the CNBM H Shareholders' Class Meeting and the CNBM Domestic Shareholders' Class Meeting to approve the Merger and the issue of CNBM Shares pursuant thereto;
- (2) (i) the passing of special resolution(s) by a majority of not less than two-thirds of the votes cast by way of poll by the Sinoma Shareholders present and voting in person or by proxy at the Sinoma EGM to approve the Merger in accordance with the PRC Laws; and (ii) the passing of special resolution(s) by way of poll approving the Merger at the Sinoma H Shareholders' Class Meeting to be convened for this purpose, provided that: (a) approval is given by at least 75% of the votes attaching to the Sinoma H Shares held by the Independent Sinoma H Shareholders that are cast either in person or by proxy; and (b) the number of votes cast against the resolution is not more than 10% of the votes attaching to all Sinoma H Shares held by the Independent Sinoma H Shareholders;
- (3) the approval from the SASAC in respect of the Merger;
- (4) the relevant approval from the CSRC;
- (5) all necessary PRC domestic anti-trust filings for the Merger having been formally submitted and clearance having been obtained; and
- (6) approval from the Stock Exchange for listing of the CNBM H Shares to be issued as consideration of the Share Exchange.

# **Conditions to implementation**

Provided that the Merger Agreement has become effective, the implementation of the Merger shall be subject to satisfaction or appropriate waiver from (for the condition referred to in

paragraph (1) below) both CNBM and Sinoma or (for the conditions referred to in paragraphs (2) and (4) below) from CNBM only or (for the condition referred to in paragraph (3) below) from Sinoma only of the following conditions:

- (1) for the purposes of the Merger, CNBM and Sinoma having submitted anti-trust filings in the applicable jurisdictions where notification is legally required before completion of the legal procedures of the Merger, and having obtained or being deemed to have obtained all necessary approvals in relation to the Merger from the anti-trust authorities of such jurisdictions, or having passed a prescribed period without objection (as applicable);
- (2) the grant by the CSRC of the waiver from the obligation of CNBM to make a mandatory general offer for the issued shares in the subsidiaries of Sinoma listed on the Shenzhen Stock Exchange or the Shanghai Stock Exchange as a result of the Merger;
- (3) there being no material breach of the representations, warranties or undertakings given by CNBM in the Merger Agreement (in respect of the representations and warranties, they shall be deemed as if repeated immediately as of the time of the breach); and
- (4) there being no material breach of the representations, warranties or undertakings given by Sinoma in the Merger Agreement (in respect of the representations and warranties, they shall be deemed as if repeated immediately as of the time of the breach).

### Completion of the legal procedures of the Merger

Subject to the satisfaction of all conditions required for the Merger Agreement to become effective and satisfaction or appropriate waiver by CNBM and/or Sinoma (as the case may be) of all conditions to implementation, the legal procedures of the Merger shall complete on the later of (i) the date on which CNBM completes its business registration update in relation to the Merger; and (ii) the date on which Sinoma completes the cancellation of its business registration.

### Right of a Dissenting Shareholder

If any Dissenting Shareholder exercises its right, CNBM and/or Sinoma (as the case may be) will designate a third party (the "Third Party Provider") to undertake to assume the reasonable obligation which CNBM, Sinoma and/or the Consenting Shareholders may have towards such Dissenting Shareholder to acquire the CNBM Shares or Sinoma Shares (as the case may be) held by that Dissenting Shareholder at a fair price. The Sinoma Shares acquired by the Third Party Provider from the Dissenting Shareholders who exercise their right will be exchanged to CNBM Shares at the Exchange Ratio on the Share Exchange Date, and the exchanged CNBM Shares will be held by the Third Party Provider. Upon completion of the acquisition of the CNBM Shares or Sinoma Shares (as the case may be) held by such Dissenting Shareholder by the Third Party Provider, such Dissenting Shareholder will no longer be entitled to make any request to CNBM, Sinoma and/or other Consenting Shareholders, nor will the Sinoma Dissenting Shareholder be entitled to exchange for new CNBM Shares issued by CNBM for the purpose of the Merger.

A Dissenting Shareholder is required to satisfy the following criteria when exercising its right:

- (1) (i) for a CNBM Shareholder, its having validly voted against the resolutions in respect of the Merger at each of the CNBM EGM and CNBM H Shareholders' Class Meeting or CNBM Domestic Shareholders' Class Meeting (as the case may be); and (ii) for a Sinoma Shareholder, having validly voted against the resolutions in respect of the Merger at each of Sinoma EGM and (for Sinoma H Shareholders) Sinoma H Shareholders' Class Meeting;
- (2) having been validly registered as a shareholder on the share register of CNBM or Sinoma (as the case may be) since the record date for (i) (for CNBM Shareholder) the CNBM EGM and CNBM H Shareholders' Class Meeting or CNBM Domestic Shareholders' Class Meeting (as applicable to such class shareholders); and (ii) (for Sinoma Shareholder) the Sinoma EGM and (if applicable) Sinoma H Shareholders' Class Meeting, and having held such CNBM Share(s) or Sinoma

Share(s) in respect of which it intends to exercise its right until the Exercise Date; and

(3) having successfully completed the declaration procedures during the Declaration Period.

Any CNBM Dissenting Shareholder or Sinoma Dissenting Shareholder who holds the following CNBM Share or Sinoma Share (as the case may be) is not entitled to exercise its right in respect of such shares held by them:

- (1) any CNBM Share or Sinoma Share (as the case may be) which is subject to restrictions on its rights, including but not limited to relevant share which is subject to pledge, other third-party rights or judicial moratorium;
- (2) any CNBM Share or Sinoma Share (as the case may be) the holder of which has undertaken to CNBM or Sinoma (as the case may be) to waive its right; or
- (3) any CNBM Share or Sinoma Share (as the case may be) for which its right is not exercisable in accordance with applicable laws.

For the avoidance of doubt, if the Merger does not proceed as a result of the terms in respect of the Merger under the Merger Agreement failing to become effective or the conditions for implementation of the Merger Agreement not being satisfied in full or properly waived, the CNBM Dissenting Shareholders and the Sinoma Dissenting Shareholders (if any) shall not be entitled to exercise their right as described above.

### **Termination**

The Merger Agreement may be terminated in any of the following circumstances:

(1) if a competent government authority imposes restrictions or prohibitions on completing the Merger which are final, binding and not capable of being appealed, either CNBM or Sinoma will be entitled to terminate the Merger Agreement by written notice;

(2) if the Merger Agreement cannot be performed due to any force majeure event which continues for 60 days (unless otherwise agreed to be extended by CNBM and Sinoma), either CNBM or Sinoma will be entitled to terminate the Merger Agreement by written notice; or (3) if one party commits a material breach of the Merger Agreement and such material breach is not remedied by the defaulting party within 30 days following written notice from the non-defaulting party, the non-defaulting party will be entitled to unilaterally terminate the Merger Agreement by written notice. Accumulated Any accumulated profits of CNBM or Sinoma which remain profits as at the undistributed as at the Closing Date of the Merger shall be for **Closing Date** the benefit of shareholders of the Post-Merger CNBM according to the proportion of their shareholdings in the Post-Merger

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, CNBM and Sinoma may only invoke any or all of the conditions (1) to (4) set out in the paragraph headed "Conditions to implementation" in this section or terminate the Merger Agreement in accordance with the paragraph headed "Termination" in this section as a basis for not proceeding with the Merger only if the circumstances which give rise to the right to invoke any such condition or termination right are of material significance to CNBM or Sinoma in the context of the Merger.

## 5. CNBM'S SPECIFIC MANDATE TO ISSUE CNBM UNLISTED SHARES AND CNBM H SHARES

CNBM.

On 8 September 2017, CNBM's Board also resolved to seek, at the CNBM EGM, CNBM Domestic Shareholders' Class Meeting and CNBM H Shareholders' Class Meeting, that it be granted an unconditional specific mandate enabling it, when the Merger is given effect and as required by the Merger, to determine and implement the issuance of approximately but not more than 989,525,898 CNBM H Shares and 2,046,218,502 CNBM Unlisted Shares (comprising 1,935,044,267CNBM Domestic Shares and 111,174,235CNBM Unlisted Foreign Shares respectively) and, and to have full authority to deal with any and all matters necessary for, beneficial to, or appropriate for the issuance of the CNBM Unlisted Shares and CNBM H Shares and to deal with any details of the issue, registration and transfer of relevant shares as well

as matters relating to listing on the Stock Exchange (including the right to adjust the proposed price and numbers of new CNBM H Shares and CNBM Unlisted Shares to be issued to the extent allowed and in accordance with the applicable laws and regulations or requirements or requests by the applicable regulatory authorities).

Pursuant to the Merger Agreement, CNBM will apply to the Stock Exchange for the listing of and permission to deal in the CNBM H Shares to be issued under the Merger, which will be implemented after approval by the Stock Exchange.

#### 6. COMPARISONS OF VALUE

The Exchange Ratio is 1.00 Sinoma Share to exchange for 0.85 CNBM Share. The Exchange Ratio represents an implied premium for Sinoma H Shareholders when compared with the ratio between the market prices of Sinoma H Shares and CNBM H Shares during the specified trading period.

		Trading Periods Including the Last Trading Date				
		1 Trading Day	20 Trading Days	90 Trading Days		
H shares	Ratio between the market prices of Sinoma H Shares and CNBM H Shares	0.71	0.67	0.60		
	Implied premium of the Exchange Ratio	19.19%	26.94%	42.60%		

Notes: (1) The market prices are the average closing prices during the specified trading period.

(2) Implied premium of the Exchange Ratio = 0.85/(market price of Sinoma H Shares/market price of CNBM H Shares) -1. The ratio is calculated by comparing the Exchange Ratio with the ratio determined by dividing the average closing prices of Sinoma H Shares by the average closing prices of the CNBM H Shares for the specified trading period.

The Merger will be implemented at the Exchange Ratio. The comparisons below are provided solely for the convenience of investors. They are illustrations only. Shareholders should use the comparisons with care and take into account other

disclosures in this joint announcement, including the reasons and benefits of the Merger.

Based on the closing price of each CNBM H Share of HK\$5.02 on the Stock Exchange on the Last Trading Date, the value of the consideration for each Sinoma H Share in the Merger represents:

- (a) a premium of approximately 19.19% over the closing price of each Sinoma H Share of HK\$3.58 on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 29.28% over the average closing price of HK\$3.30 of each Sinoma H Share based on the average closing price of Sinoma H Shares on the Stock Exchange for the 20 trading days immediately prior to and including the Last Trading Date; and
- (c) a premium of approximately 52.96% over the average closing price of HK\$2.79 of each Sinoma H Share based on the average closing price of Sinoma H Shares on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Date.

Based on the closing price of each CNBM H Share of HK\$5.02 on the Stock Exchange on the Last Trading Day, each CNBM H Share represents a discount of approximately 46.03% to the net asset value per CNBM H Share as at 31 December 2016; the value of the consideration for each Sinoma H Share in the Merger represents a discount of approximately 23.69% to the net asset value per Sinoma H Share as at 31 December 2016.

#### 7. REASONS AND BENEFITS OF THE MERGER

China's building materials industry has built up solid strengths in the past decades as a result of investment in and construction of infrastructure and fixed assets and rapid development of the real estate industry in China. In recent years, however, the building materials industry (including cement) in some regions have been facing challenges in supply and demand as China's economic development entered a new norm. Meanwhile, the trending topics of China's economic growth stabilisation, supply side structural reform, the "Belt and Road Initiative" and international cooperation on production capacity have brought new opportunities for China's building materials industry.

To better cope with the challenges and capture the development opportunities mentioned above, CNBM and Sinoma, as China's leading and globally important building materials enterprises, intend to take the first-mover advantage in the course of transformation and upgrade of the building materials industry through the Merger, building a world's leading group in the integrated materials sector to strengthen their leading status in the industry and enhance their competitiveness in international markets, and in turns enhance the interest for all shareholders. The Merger will bring the following benefits:

#### I. Strengthening leading industry status, enhancing global competitiveness

CNBM and Sinoma are China's leading and globally important building materials enterprises, and the Merger will combine the forces of the two companies and complement each other's advantages. It is hoped that the Post-Merger CNBM will possess comprehensive and integrated competitive advantages in terms of industry layout, business scale, product and services, thereby further enhancing its competitiveness in the global building materials industry. It is expected that the Post-Merger CNBM will rank first globally in terms of cement production capacity, and enjoy world-leading status in various sectors including commercial concrete production, cement engineering service, gypsum boards production, fibre glass manufacturing (such as China Jushi Co., Ltd., an associate of the CNBM Group), wind turbine blades production.

# II. Enriching regional and product layout, enhancing concentration and competitiveness of core business

Coordinating operation layout and strengthening market influence: In 2016, CNBM and Sinoma ranked first and the fourth among cement manufacturers in China, respectively, based on cement clinker production capacity. The Merger will increase concentration of the cement industry in some regions. It is expected that the Post-Merger CNBM will be able to strengthen the competitiveness of its core business by coordinating production planning and uniformly formulating sales strategy. It is expected that the Post-Merger CNBM will participate in the formulation of China's cement industry policy with increased market influence and have a more positive impact on eliminating backward production capacity and strengthening self-discipline in the industry.

#### Expanding geographical coverage and reducing fluctuations in overall results:

The geographical presence of the Post-Merger CNBM will become more diversified. It is expected that this will reduce fluctuations in operations caused by changes in demand and differences in competitive landscape across various regions, bringing more stable returns to all shareholders.

Enriching product mix and providing customers with all-round services: The Post-Merger CNBM will further optimise its full range of products and plan to provide customers with better quality and more diversified product choices. It is expected that this will increase opportunities for portfolio and cross sales to customers.

# III. Consolidating the procurement, production and operation systems, achieving cost reduction and increase in efficiency

**Expanding scale of procurement and sharing cost advantages**: The Post-Merger CNBM will be able to further leverage the economies of scale in procurement by sharing the supplier base and advantageous channels of both companies to consolidate procurement demand and planning (such as establishing cooperative relationships with large-sized coal suppliers and power companies and centralising procurement).

Coordinating production and operation and sharing production technology: The Post-Merger CNBM will regularly conduct benchmarking of indicators and internal and external competition of production technologies, and is expected to practically increase production efficiency through sharing of patented technologies, production know-how, special techniques as well as mobility and deployment of key technical personnel.

**Optimising operation system and saving operating costs**: It is planned that the Post-Merger CNBM will consolidate the sales and management systems in some overlapping business segments and regions in order to drive a further reduction in operating costs.

#### IV. Consolidating overseas resources, strengthening cooperation in global markets

CNBM and Sinoma both possess market-leading production designs and general engineering contracting service ability in the global market, and enjoy outstanding advantages in glass engineering and cement engineering, respectively. The Post-Merger CNBM will strengthen its leading status in the global markets. By coordinating and planning of sales strategy and business layout as well as cooperating and sharing of business techniques, sales services and customer resources, it is expected that the Post-Merger CNBM will further strengthen the brand impact and participate in global competition by combining the strengths of both companies.

#### V. Integration and sharing of R&D resources, enhancing ability to innovate

Prior to the Merger, each of CNBM and Sinoma possesses a strong R&D system and the ability to commercialise technologies. The R&D capability of the Post-Merger

CNBM will rise to a new level. It is planned that the Post-Merger CNBM will share high-quality, sophisticated and advanced products as well as technological advantages to coordinate and consolidate the R&D resources of both companies, avoid and reduce waste of resources caused by duplicative development, enhance R&D efficiency, actively establish advanced technologies, conduct fundamental, pioneering and strategic studies, accelerate major technological breakthroughs with milestone significance to result in technological leadership and further enhance the Post-Merger CNBM's capability to innovate.

#### VI. Enhancing liquidity in the capital market and improving the financing structure

**Enhancing liquidity:** There is a certain difference between the amount of trading activity of H shares of CNBM and Sinoma. The cumulative turnover rate of the H Share of CNBM and Sinoma for the thirty consecutive trading days immediately prior to and including the Last Trading Day is 33.76% and 15.43%, respectively. The transactions of CNBM in the Hong Kong market are relatively more active. The Merger is expected to significantly enhance the liquidity of shares held by Sinoma's existing H Shareholders and safeguard the interests of shareholders effectively.

**Optimisation of financing structure and cost:** Upon completion of the Merger, the expansion of businesses and asset scale of the Post-Merger CNBM is expected to further enhance and consolidate the status in the industry and enhance the credit level of debt financing. It is expected that the Post-Merger CNBM can leverage the industry leading credit rating and use various financing tools flexibly to achieve optimisation of financing structure and cost and improve the financial performance of the Post-Merger CNBM.

Laying the foundation of integration of subsequent businesses and assets: Upon completion of the Merger, the Post-Merger CNBM can conduct more in-depth planning and integration of the overall businesses and assets, make full use of the domestic and international capital market, leverage the financing functions of all levels of listed companies to optimize capital structure and support business development. Meanwhile, regarding CMBN and Sinoma have similar business before this transaction, Post-Merger CNBM will, in accordance with the requirements of relevant securities regulatory departments and subject to applicable laws and regulations and relevant regulatory rules, for the benefit of development of CNBM and A share subsidaries, implement relevant business further consolidation in a steady and proper manner.

After the Merger, CNBM and Sinoma may establish a new share or equity incentive scheme for certain of its employees with a view to increase the efficiency of the

company's operations. As at the date of this joint announcement, there is no formal decision or undertaking made by CNBM's Board or Sinoma's Board in relation to such scheme. The Post-Merger CNBM will make further announcement in relation to such scheme (if it is formally resolved by the board of directors of the Post-Merger CNBM to be established) in accordance with the requirements of the Listing Rules and applicable laws as and when appropriate.

Having taken into account the reasons for and benefits of the Merger and its effects as set out above, CNBM's Board (other than members of the CNBM Independent Board Committee, whose views will be given after receiving the opinion of the CNBM Independent Financial Adviser) is of the view that the terms of the Merger are fair and reasonable and in the interests of CNBM and its shareholders as a whole.

Sinoma's Board (other than members of the Sinoma Independent Board Committee, whose views will be given after receiving the opinion of the Sinoma Independent Financial Adviser) is of the view that the terms of the Merger are fair and reasonable and in the interests of Sinoma and its shareholders as a whole.

### 8. IMPACT OF THE MERGER ON THE SHAREHOLDING STRUCTURES OF CNBM AND SINOMA

The shareholding structures of CNBM and Sinoma prior to the Merger are as follows:

	Number of Domestic Shares	Percentage of Domestic Shares	Number of Unlisted Foreign Shares	Percentage of Unlisted Foreign Shares	Percentage of Unlisted Shares	Number of H Shares	Percentage of H Shares	Total Number of Issued Shares
CNBM	2,519,854,366	46.67%	N/A	N/A	46.67%	2,879,171,896	53.33%	5,399,026,262
Sinoma	2,276,522,667	63.74%	130,793,218	3.66%	67.40%	1,164,148,115	32.60%	3,571,464,000

The shareholding structure of the Post-Merger CNBM immediately after the Closing Date is as follows:

	Number of Domestic Shares	Percentage of Domestic Shares	Number of Unlisted Foreign Shares	of Unlisted	Percentage of Unlisted Shares	Number of H Shares	_	Total Number of Issued Shares
CNBM Shares issued prior to the Merger	2,519,854,366	29.87%	N/A	N/A	29.87%	2,879,171,896	34.13%	5,399,026,262
CNBM Shares issued in exchange for Sinoma Shares pursuant to the Merger	1,935,044,267	22.94%	111,174,235	1.32%	24.26%	989,525,898	11.73%	3,035,744,400
Total issued shares of the Post-Merger CNBM	4,454,898,633	52.82%	111,174,235	1.32%	54.13%	3,868,697,794	45.87%	8,434,770,662

#### 9. PROPOSED AMENDMENTS TO CNBM'S ARTICLES

It is proposed that, subject to the taking place of the Closing Date, the CNBM's Articles will be amended to (among others) deal with the change of capital structure of CNBM after the Merger. A special resolution to approve amendments to the CNBM's Articles will be put to the CNBM Shareholders at the CNBM EGM. Details regarding the proposed amendments to the CNBM's Articles are set out in the Appendix to this joint announcement.

#### 10. IMPLICATIONS UNDER THE LISTING RULES IN RESPECT OF CNBM

The highest relevant percentage ratio for transaction classification under the Listing Rules in respect of the relevant acquisition and the issue and exchange of CNBM H Shares and CNBM Unlisted Shares pursuant to the Merger exceeds 25% and is lower than 100%. As a result, the Merger will constitute a major acquisition for CNBM under Chapter 14 of the Listing Rules.

Also, as CNBM Parent, the controlling shareholder of CNBM, controls more than 30% of the equity interest in Sinoma through Sinoma Parent which is a wholly-owned subsidiary of CNBM Parent, Sinoma is an associate (as defined under the Listing Rules)

of CNBM Parent and hence a connected person of CNBM under the Listing Rules. The Merger therefore also constitutes a connected transaction of CNBM under Chapter 14A of the Listing Rules.

Further, pursuant to Rule 19A.38 of the Listing Rules, the issue of the new CNBM H Shares and CNBM Unlisted Shares pursuant to the Merger will be pursuant to a special mandate which requires approvals by a special resolution by a majority of not less than two-thirds of the votes cast by way of poll by each of the CNBM Shareholders at the CNBM EGM, the CNBM Domestic Shareholders at the CNBM Domestic Shareholders' Class Meeting and the CNBM H Shareholders at the CNBM H Shareholders' Class Meeting.

### 11. SINOMA'S BOARD APPROVAL, SINOMA INDEPENDENT BOARD COMMITTEE AND SINOMA INDEPENDENT FINANCIAL ADVISER

Sinoma's Board approved the Merger and its related matters at its board meeting on 8 September 2017. Such approval has a validity period of 12 months from the date of the relevant approvals of the Merger at the Sinoma EGM, Sinoma H Shareholders' Class Meeting, and if the relevant approval of the Merger by the CSRC is obtained during such 12-month period, the expiry date of the validity period will be automatically extended to completion of the Merger.

Sinoma's Board has established the Sinoma Independent Board Committee, consisting of some of the non-executive directors and all of independent non-executive directors of Sinoma, being Shen Yungang, Wang Fengting, Leung Chong Shun, Lu Zhengfei and Wang Zhulin. The non-executive directors of Sinoma Mr. Li Xinhua and Mr. Li Jianlun are excluded from the Sinoma Independent Board Committee due to their position in Sinoma Parent which thus constitutes their direct or indirect interest in the Merger. Such committee will advise the Independent Sinoma Shareholders as to: (a) whether the terms of the Merger is fair and reasonable for the purpose of the Takeovers Code; and (b) whether to vote in favour of the Merger at the Sinoma EGM and the Sinoma H Shareholders' Class Meeting.

The Sinoma Independent Financial Adviser will be appointed by the Sinoma Independent Board Committee to provide advice to it in respect of the Merger. An announcement will be made by Sinoma as soon as possible after the appointment of such independent financial adviser. The Sinoma Independent Board Committee is evaluating the Merger and its views and recommendations will be set out in the Composite Document to be despatched to the Sinoma H Shareholders.

#### 12. PROPOSED WITHDRAWL OF LISTING OF SINOMA H SHARES

Following completion of the Merger, Sinoma Shares will cease to have effect as documents or evidence of title. Upon satisfaction of all the conditions to the effectiveness of the Merger, Sinoma will apply to the Stock Exchange for voluntary withdrawal of the listing of the Sinoma H Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules, which is subject to the requirements under Chapter 6 of the Listing Rules and the approval of the Listing Committee of the Stock Exchange.

Sinoma will issue separate announcement(s) notifying Sinoma H Shareholders of the proposed withdrawal of listing and the exact dates and relevant arrangements for the last day for dealing in Sinoma H Shares on the Stock Exchange as well as when the formal delisting of the Sinoma H shares will become effective.

The listing of the Sinoma H Shares on the Stock Exchange will not be withdrawn if the Merger is not approved or lapses or does not become unconditional for any reason.

## 13. CNBM'S BOARD APPROVAL, CNBM'S INDEPENDENT BOARD COMMITTEE AND CNBM INDEPENDENT FINANCIAL ADVISER

CNBM's Board approved the Merger and its related matters at its board meeting on 8 September 2017. Such approval has a validity period of 12 months from the date of the relevant approvals of the Merger at the CNBM EGM, CNBM H Shareholders' Class Meeting and CNBM Domestic Shareholders' Class Meeting, and if the relevant approval of the Merger by the CSRC is obtained during such 12-month period, the expiry date of the validity period will be automatically extended to completion of the Merger.

CNBM's Board has established the CNBM Independent Board Committee, consisting of all independent non-executive directors of CNBM, being Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Qian Fengsheng and Ms. Xia Xue. Such committee will advise the Independent CNBM Shareholders as to: (a) whether the terms of the Merger are fair and reasonable for the purpose of its being a connected transaction under the Listing Rules; and (b) whether to vote in favour of the Merger at the CNBM EGM, the CNBM H Shareholders' Class Meeting and the CNBM Domestic Shareholders' Class Meeting (as the case may be).

The CNBM Independent Financial Adviser will be appointed by the CNBM Independent Board Committee to provide advice to it in respect of the Merger for the purpose of it being a connected transaction under the Listing Rules. An announcement

will be made by CNBM as soon as possible after the appointment of such independent financial adviser. The CNBM Independent Board Committee will evaluate the Merger and its views and recommendations will be set out in the circular relating to the Merger to be despatched to CNBM H Shareholders.

### 14. SINOMA EGM AND SINOMA H SHAREHOLDERS' CLASS MEETING AND THE COMPOSITE DOCUMENT

Sinoma will convene the Sinoma EGM and the Sinoma H Shareholders' Class Meeting for the Sinoma Shareholders to consider and, if thought fit, approve matters including the Merger. The Composite Document containing, amongst others, (i) further details of the Merger and the Merger Agreement and other matters in relation to the Merger; (ii) a letter of advice issued by the Sinoma Independent Financial Adviser to the Sinoma Independent Board Committee; and (iii) recommendations and advice from the Sinoma Independent Board Committee, together with a notice of the Sinoma EGM, a notice of the Sinoma H Shareholders' Class Meeting and proxy form are expected to be despatched to Sinoma H Shareholders as soon as practicable and in compliance with the Takeovers Code.

# 15. CNBM EGM, CNBM H SHAREHOLDERS' CLASS MEETING AND CNBM DOMESTIC SHAREHOLDERS' CLASS MEETING AND CNBM'S CIRCULAR

CNBM will convene the CNBM EGM, the CNBM H Shareholders' Class Meeting and the CNBM Domestic Shareholders' Class Meeting for CNBM Shareholders to consider and, if thought fit, approve matters relating to the Merger. In accordance with the Listing Rules, a circular containing, amongst others, (i) further details of the Merger and the Merger Agreement, the granting of a specific mandate to CNBM's Board for the issue of CNBM H Shares and CNBM Unlisted Shares, the proposed amendments to the CNBM's Articles and other matters in relation to the Merger; (ii) a letter of advice issued by CNBM Independent Financial Adviser to the CNBM Independent Board Committee in respect of the Merger; and (iii) recommendations and advice from the CNBM Independent Board Committee on the Merger, together with a notice of the CNBM EGM, a notice of the CNBM H Shareholders' Class Meeting and proxy form are expected to be despatched to CNBM H Shareholders on or around 29 September 2017.

### 16. NEW CONTINUING CONNECTED TRANSACTIONS OF THE POST-MERGER CNBM

There may be new continuing connected transactions of the Post-Merger CNBM upon the Closing Date. Further announcement(s) will be made as appropriate.

#### 17. FURTHER AGREEMENTS OR ARRANGEMENTS

CNBM confirms that there are no other arrangements (whether by way of option, indemnity or otherwise) in relation to the CNBM Shares or the Sinoma Shares and which might be material to the Merger. CNBM further confirms that there are no agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Merger. Sinoma confirms that there are no other arrangements (whether by way of option, indemnity or otherwise) in relation to the CNBM Shares or the Sinoma Shares and which might be material to the Merger.

### 18. RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, associates (including persons holding 5% or more of a class of relevant securities of CNBM and Sinoma) of CNBM and Sinoma are hereby reminded to disclose their dealings in any shares in CNBM and Sinoma pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

"Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation."

#### 19. NUMBER OF RELEVANT SECURITIES IN ISSUE

As at the date of this joint announcement, relevant securities of CNBM in issue comprised 5,399,026,262 CNBM Shares of which there are 2,879,171,896 CNBM H Shares and 2,519,854,366 CNBM Domestic Shares.

As at the date of this joint announcement, relevant securities of Sinoma in issue comprised 3,571,464,000 Sinoma Shares of which there are 1,164,148,115 Sinoma H Shares, 2,276,522,667 Sinoma Domestic Shares and 130,793,218 Sinoma Unlisted Foreign Shares.

#### 20. RESUMPTION OF TRADING

At the request of CNBM, trading in the CNBM H Shares on the Stock Exchange was suspended from 9:00 a.m. on 7 September 2017. An application has been made by CNBM to the Stock Exchange for the resumption of trading in the CNBM H Shares from 9:00 a.m. on 11 September 2017.

At the request of Sinoma, trading in the Sinoma H Shares on the Stock Exchange was suspended from 9:00 a.m. on 7 September 2017. An application has been made by Sinoma to the Stock Exchange for the resumption of trading in the Sinoma H Shares from 9:00 a.m. on 11 September 2017.

#### 21. WARNING

CNBM Shareholders, Sinoma Shareholders and potential investors in the securities of CNBM and/or the securities of Sinoma should be aware that the Merger is subject to the conditions set out in this joint announcement being satisfied or waived, as applicable, and neither CNBM nor Sinoma provides any assurance that any or all conditions can be satisfied, and the Merger may or may not be completed before the expiry of the validity period of the approval of the Merger by CNBM's Board or Sinoma's Board, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented

or completed. CNBM Shareholders, Sinoma Shareholders and potential investors in the securities of CNBM and/or the securities of Sinoma should therefore exercise caution when dealing in CNBM Shares or Sinoma Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

#### 22. **DEFINITIONS**

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

CICC means China International Capital Corporation Hong Kong

Securities Limited, one of the joint financial advisers to CNBM. CICC is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on

corporate finance) regulated activities;

Closing Date means the Share Exchange Date (or such other date as agreed

by CNBM and Sinoma) upon which the Post-Merger CNBM will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of

Sinoma;

CNBM means 中國建材股份有限公司 (China National Building

Material Company Limited\*), a joint stock limited company incorporated in the PRC with limited liability, whose H shares

are listed and traded on the Stock Exchange;

CNBM's Articles means the articles of association of CNBM (including the rules

of procedures for shareholders' general meetings and the rules

of procedures for board meetings);

CNBM's Board means CNBM's board of directors;

CNBM Director(s) means CNBM's director(s);

CNBM Dissenting

Shareholder

means a CNBM Shareholder who has cast an Effective Dissenting Vote in respect of each of the resolutions regarding the Merger at the CNBM EGM, (for the CNBM H Shareholders) the CNBM H Shareholders' Class Meeting, and

(for the CNBM Domestic Shareholders) the CNBM Domestic Shareholders' Class Meeting (as the case may be);

CNBM Domestic Share(s)

means the CNBM domestic shares, with a RMB denominated par value of RMB1.00 each, representing approximately 46.67% of the issued share capital of CNBM as at the date of this joint announcement;

CNBM Domestic Shareholders

means the holders of CNBM Domestic Shares;

CNBM
Domestic
Shareholders'
Class Meeting

means CNBM's class meeting to be convened for CNBM Domestic Shareholders, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements;

CNBM EGM

means CNBM's extraordinary general meeting to be convened, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger, and relevant arrangements;

CNBM H Shareholders means the holders of CNBM H Shares;

CNBM H Shareholders' Class Meeting means CNBM's class meeting to be convened for CNBM H Shareholders, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements;

CNBM H Share(s)

means the ordinary shares issued by CNBM, with a RMB denominated par value of RMB1.00 each, which are subscribed for and paid up in Hong Kong dollars and are listed and traded on the Stock Exchange, representing approximately 53.33% of the issued share capital of CNBM as at the date of this joint announcement;

CNBM Independent Board Committee

means CNBM's independent board committee established by CNBM for the purposes of considering the Merger, which comprises all of independent non-executive directors of CNBM, being Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Qian Fengsheng and Ms. Xia Xue;

**CNBM** Independent Financial Adviser

means the independent financial adviser to be appointed by the CNBM Independent Board Committee to advise the CNBM Independent Board Committee and the Independent CNBM Shareholders in respect of (among others) the Merger;

**CNBM Shareholders** 

Shareholders means CNBM H and CNBM Unlisted Shareholders:

CNBM Share(s)

means CNBM H Shares and CNBM Unlisted Shares;

**CNBM Unlisted** Foreign Share(s) means the unlisted foreign shares of CNBM, with a RMB denominated par value of RMB1.00 each, to be issued by CNBM to the Sinoma Share-Exchange Shareholder(s) holding Sinoma Unlisted Foreign Shares;

**CNBM Unlisted** Share(s)

means the CNBM Domestic Shares and (if issued) the CNBM Unlisted Foreign Shares;

CNBM Group

means CNBM and its subsidiaries;

**CNBM** Parent

means 中國建材集團有限公司(China National Building Material Group Co., Ltd.), a state-owned enterprise whollyowned by the SASAC, which directly and indirectly holds approximately 41.27% of CNBM's issued share capital as at the date of this joint announcement;

Composite Document means the document to be issued by or on behalf of CNBM and Sinoma to all Sinoma Shareholders in accordance with the Takeovers Code containing, among others, details of the Merger, as may be revised or supplemented as appropriate;

connected person(s)

has the meaning given to it in the Listing Rules;

controlling shareholder(s) has the meaning given to it in the Listing Rules;

**CSRC** 

means the China Securities Regulatory Commission;

**Declaration Period** 

means a period after the approvals of the Merger at the CNBM EGM, CNBM H Shareholders' Class Meeting, CNBM Domestic Shareholders' Class Meeting, Sinoma EGM and Sinoma H Shareholders' Class Meeting and during which (i) any CNBM Dissenting Shareholders may declare to exercise its right, which will be decided and announced by CNBM; and (ii) any Sinoma Dissenting Shareholder may declare to exercise its right, which will be decided and announced by Sinoma;

Dissenting Shareholders

means the CNBM Dissenting Shareholders and the Sinoma Dissenting Shareholders;

Effective Dissenting Votes

means any dissenting votes in relation to the Merger effectively cast by a shareholder in accordance with CNBM's Articles or Sinoma's Articles (as the case may be) and relevant laws and regulations through voting at the shareholders' meeting;

**Exchange Ratio** 

means 1.00 Sinoma Share to exchange for 0.85 CNBM Share, meaning that CNBM will issue:(i) 0.85 CNBM H Share to exchange for 1.00 Sinoma H Share; and (ii) 0.85 CNBM Unlisted Share to exchange for 1.00 Sinoma Unlisted Share;

Executive

means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;

**Exercise Date** 

means the date on which (i) the CNBM Third Party Provider(s) pays cash consideration to CNBM Dissenting Shareholders who exercise their right and has the CNBM H Shares and CNBM Unlisted Shares held and effectively declared by such shareholders transferred to it, which will be decided and announced by CNBM; and (ii) the Sinoma Third Party Provider(s) pays cash consideration to Sinoma Dissenting Shareholders who exercise their right and has the Sinoma H Shares and Sinoma Unlisted Shares held and effectively declared by such shareholders transferred to it, which will be decided and announced by Sinoma;

HK\$

means Hong Kong dollars, the lawful currency of Hong Kong;

Hong Kong

means the Hong Kong Special Administrative Region of the People's Republic of China;

Independent CNBM Shareholders

means CNBM Shareholders other than CNBM Parent and its associates and parties who have interests in the Merger;

Independent Sinoma Shareholders

means Sinoma Shareholders other than (i) parties who have interests in the Merger; and (ii) CNBM and its concert parties (including Sinoma Parent);

Shareholders

Independent Sinoma H means Sinoma H Shareholders other than (i) parties who have interests in the Merger; and (ii) CNBM and its concert parties (including Sinoma Parent);

Last Trading Date

means 6 September 2017, the last trading day prior to the suspension of trading in the H shares of CNBM and Sinoma on the Stock Exchange respectively pending the issue of this joint announcement;

Listing Rules

means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

Merger

means the proposed merger by absorption of Sinoma by CNBM in accordance with the PRC Company Law and other applicable PRC Laws as contemplated under the Merger Agreement;

Merger Agreement

means the merger agreement entered into between CNBM and Sinoma on 8 September 2017 in relation to the Merger;

Morgan Stanley

means Morgan Stanley Asia Limited, one of the joint financial advisers to CNBM. Morgan Stanley is licensed for Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO;

Offer Period

has the meaning ascribed to it under the Takeovers Code, being the period commencing on 8 September 2017 (the date of this joint announcement) and ending on the Closing Date;

Post-Merger CNBM

means CNBM after the Merger, as the surviving entity following the Merger with Sinoma;

PRC or China

means the People's Republic of China, which for the purposes of this joint announcement does not include Hong Kong, the Macau Special Administrative Region and Taiwan unless the context otherwise specifies;

PRC Company Law means the Company Law of the PRC, as amended,

supplemented or otherwise modified from time to time;

**PRC Laws** means any and all laws, regulations, statutes, rules, decrees,

> notices, and supreme court's judicial interpretations as may be in force and publicly available in the PRC from time to time;

Record Date for Share means the trading day of the Stock Exchange, to be decided and announced by CNBM and Sinoma, on which a list of Exchange

> Sinoma Shareholders who are eligible to participate in the share-exchange and the number of shares held by such

shareholders will be confirmed:

**RMB** means Renminbi, the lawful currency of the PRC;

SASAC means the State-owned Assets Supervision and Administration

Commission of the State Council:

**SFC** means the Securities and Futures Commission of Hong Kong;

**SFO** means the Securities and Futures Ordinance (Chapter 571 of

the Laws of Hong Kong) (as revised, supplemented or

otherwise modified from time to time);

Share Exchange;

means (i) with respect to Sinoma H shares means the date, to Share Exchange Date be decided and announced by CNBM and Sinoma, on which Sinoma Share-Exchange Shareholders exchange the Sinoma H Shares held by them into CNBM H Shares according to the Exchange Ratio, being the "H Share Share Exchange Date"; (ii) with respect to the Sinoma Domestic Shares means the date, to be decided and announced by CNBM and Sinoma, on which Sinoma Share-Exchange Shareholders exchange the Sinoma Domestic Shares held by them into CNBM Domestic Shares according to the Exchange Ratio, being the "Domestic Share Share Exchange Date"; and (iii) with respect to the Sinoma Unlisted Foreign Shares means the date, to be decided and announced by CNBM and Sinoma, on which Sinoma Share-Exchange Shareholders exchange the Sinoma Unlisted Foreign Shares held by them into CNBM Unlisted Foreign Shares according to the Exchange Ratio, being the "Unlisted Foreign Share Share Exchange Date" (collectively with the Domestic Share Exchange Date, the "Unlisted Share Share Exchange Date"), and "Share Exchange" means any of the above share exchange;

Sinoma means Sinoma, a joint stock limited company incorporated in

the PRC with limited liability, whose H shares are listed and

traded on the Stock Exchange;

Sinoma's Articles means the articles of association of Sinoma (including the rules

of procedures for shareholders' general meetings and the rules

of procedures for board meetings);

Sinoma's Board means Sinoma's board of directors;

Sinoma Director(s) means Sinoma's director(s);

Shareholder

Share(s)

Sinoma Dissenting means a Sinoma Shareholder who has cast Effective

Dissenting Votes in respect of each of the resolutions regarding the Merger between the parties in relation to the Merger at the Sinoma EGM and (for the Sinoma H Shareholders) the Sinoma

H Shareholders' Class Meeting (as the case may be);

Sinoma Domestic means the domestic shares of Sinoma, with a RMB

denominated par value of RMB1.00 each, representing approximately 63.74% of the issued share capital of Sinoma as

at the date of this joint announcement;

Sinoma Domestic means the holders of Sinoma Domestic Share(s);

Shareholders

Sinoma EGM means Sinoma's extraordinary general meeting to be

convened, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and

relevant arrangements;

Sinoma H Share(s) means the ordinary shares issued by Sinoma, with a RMB

denominated par value of RMB1.00 each, which are subscribed for and paid up in Hong Kong dollars and are listed and traded on the Stock Exchange, representing approximately

32.60% of the issued share capital of Sinoma as at the date of this joint announcement;

Sinoma H Shareholders means the holders of Sinoma H Shares;

Sinoma H Shareholders' **Class Meeting**  means Sinoma's class meeting to be convened for Sinoma H Shareholders, or any adjournment thereof, to consider and, if thought fit, approve the Merger Agreement, the Merger and relevant arrangements;

Sinoma Independent Board Committee

means Sinoma's independent board committee established by Sinoma for the purposes of considering the Merger, which comprises some of the non-executive directors and all of independent non-executive directors of Sinoma, being Shen Yungang, Wang Fengting, Leung Chong Shun, Lu Zhengfei and Wang Zhulin;

Sinoma Independent Financial Adviser

means the independent financial adviser to be appointed by the Sinoma Independent Board Committee to advise the Sinoma Independent Board Committee and the Independent Sinoma Shareholders in respect of (among others) the Merger;

Sinoma Share-Exchange Shareholder(s) means Sinoma Shareholders who are registered on the register of shareholders on the Record Date for Share Exchange including Sinoma Shareholders who do not declare, or are ineligible to declare, or invalidly declare to exercise the right to request for acquisition of their CNBM Shares or Sinoma Shares (as the case may be) as described in the paragraph headed "3. PROPOSED MERGER - (3) Right of the Dissenting Shareholders" above;

Sinoma Shareholders means Sinoma H Shareholders and Sinoma Unlisted Shareholders;

Sinoma Share(s)

meansSinoma H Shares and Sinoma Unlisted Shares;

Sinoma Unlisted Foreign Share(s) means the unlisted foreign shares of Sinoma, with a RMB denominated par value of RMB1.00 each, representing approximately 3.66% of the issued share capital of Sinoma as at the date of this joint announcement;

Sinoma Unlisted Foreign Shareholders means the holders of Sinoma Unlisted Foreign Share(s);

Sinoma Unlisted

means the Sinoma Domestic Shareholders and the Sinoma

Shareholders Unlisted Foreign Shareholders;

Sinoma Unlisted

Share(s)

means the Sinoma Domestic Shares and the Sinoma Unlisted

Foreign Shares;

Sinoma Group means Sinoma and its subsidiaries;

Sinoma Parent means 中國中材集團有限公司(China National Materials

Group Corporation Ltd.), a state-owned enterprise wholly-owned by CNBM Parent, which directly and indirectly holds approximately 43.87% of Sinoma's issued share capital as at

the date of this joint announcement;

Stock Exchange means The Stock Exchange of Hong Kong Limited;

Takeovers Code means the Codes on Takeovers and Mergers published by the

SFC (as revised, supplemented or otherwise modified from

time to time);

trading day means a day on which the Stock Exchange is open for dealing

or trading in securities;

United States or U.S. means the United States of America; and

% means per cent.

By order of the board of
China National Building Material
Company Limited\*

Song Zhiping

Chairman

By order of the board of

China National Materials Company
Limited
Liu Zhijiang

Chairman

Beijing, China 8 September 2017 As at the date of this joint announcement, CNBM's Board 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. The CNBM Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to Sinoma and Sinoma Parent) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of Sinoma) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, Sinoma's Board comprises Mr. Liu Zhijiang and Mr. Peng Jianxin as executive directors, Mr. Li Xinhua, Mr. Li Jianlun, Mr. Shen Yungang and Mr. Wang Fengting as non-executive directors, and Mr. Leung Chong Shun, Mr. Lu Zhengfei and Mr. Wang Zhulin as independent non-executive directors. The Sinoma Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to CNBM and CNBM Parent) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of CNBM) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

\* For identification purposes only

## **Appendix**

## **Proposed amendments to the Articles of Association of CNBM**

No.	Article	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
1	3.4	Shares issued by the	Shares issued by the	Shares issued by the
		Company to	Company to domestic	Company to domestic
		domestic investors	investors for subscription in	investors for subscription in
		for subscription in	Renminbi are called	Renminbi are called
		Renminbi are called	domestic shares. Shares	domestic shares. Shares
		domestic shares.	issued by the Company to	issued by the Company to
		Shares issued by the	foreign investors for	foreign investors for
		Company to foreign	subscription in a foreign	subscription in a foreign
		investors for	currency are called foreign	currency are called foreign
		subscription in a	shares. Foreign shares listed	shares. Foreign shares listed
		foreign currency are	overseas are called overseas	overseas are called overseas
		called foreign shares.	listed foreign shares.	listed foreign shares.
		Foreign shares listed	Foreign shares which are	Foreign shares which are
		outside overseas are	unlisted overseas are called	unlisted overseas are called
		called overseas listed	unlisted foreign shares.	unlisted foreign shares.
		foreign shares.		
			"Foreign currency" as	"Foreign currency" as
		Both the holders of	referred in the preceding	referred in the preceding
		domestic shares and	paragraph shall include the	paragraph shall include the
		overseas listed	<u>legal tenders of other</u>	legal tenders of other
		foreign shares are the	countries or territories,	countries or territories, other
		shareholders of	other than Renminbi, which	than Renminbi, which are
		ordinary shares, and	are recognised by the	recognised by the foreign
		have the same rights	foreign exchange	exchange competent
		and obligations.	competent authority of the	authority of the State for
			State for payment of share	payment of share
		Upon the approval of	subscription monies to the	subscription monies to the
		the State Council or	Company.	Company.
		the securities		
		regulatory authority	Overseas listed foreign	Overseas listed foreign
		authorized by the	shares which have been	shares which have been

No.	<b>Article</b>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		State Council, and in	admitted for listing on The	admitted for listing on The
		accordance with	Stock Exchange of Hong	Stock Exchange of Hong
		relevant regulations	Kong Limited ("Hong	Kong Limited ("Hong Kong
		of the Hong Kong	Kong Stock Exchange"),	Stock Exchange"), the par
		Stock Exchange,	the par value of which is	value of which is
		domestic shares of	denominated in Renminbi	denominated in Renminbi
		the Company may be	and which are subscribed	and which are subscribed
		converted to overseas	for and traded in Hong	for and traded in Hong
		listed foreign shares.	Kong dollars shall be	Kong dollars shall be
			referred to as "H Shares".	referred to as "H Shares".
			Domestic shares and	Domestic shares and
			unlisted foreign shares are	unlisted foreign shares are
			referred to as unlisted	referred to as unlisted
			shares. Unless otherwise	shares. Unless otherwise
			provided in laws or	provided in laws or
			regulations to the contrary	regulations to the contrary
			of these Articles of	of these Articles of
			Association, domestic	Association, domestic
			shares and unlisted foreign	shares and unlisted foreign
			shares shall be deemed to	shares shall be deemed to be
			be the same class of shares.	the same class of shares.
			The holders of domestic	The holders of domestic
			shares, unlisted foreign	shares, unlisted foreign
			shares and overseas listed	shares and overseas listed
			foreign shares are the	foreign shares are the
			shareholders of ordinary	shareholders of ordinary
			shares, and have the same	shares, and have the same
			rights and obligations.	rights and obligations.
			Upon the approval of the	Upon the approval of the
			State Council or the	State Council or the
			securities regulatory	securities regulatory
			authority authorized by the	authority authorized by the
			dadionty dadionzed by the	dadionly dadionzed by the

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
			State Council, and in	State Council, and in
			accordance with relevant	accordance with relevant
			regulations of the Hong	regulations of overseas
			Kong Stock Exchange	stock exchange, unlisted
			overseas stock exchange,	shares of the Company may
			domestic shares unlisted	be converted to overseas
			shares of the Company may	listed foreign shares. Listing
			be converted to overseas	and trading of such shares
			listed foreign shares.	on overseas stock exchange
			Listing and trading of such	shall also comply with the
			shares on overseas stock	regulatory procedures,
			exchange shall also comply	provisions and requirements
			with the regulatory	of overseas securities
			procedures, provisions and	market. No class meeting of
			requirements of overseas	shareholders is required to
			securities market. No class	be convened for voting in
			meeting of shareholders is	respect of the trading of
			required to be convened for	such shares on an overseas
			voting in respect of the	stock exchange.
			trading of such shares on an	
			overseas stock exchange.	
2	3.6	As approved by the	As approved by the	As approved by the
		securities regulatory	securities regulatory	securities regulatory
		authority of the State	authority of the State	authority of the State
		Council, the	Council, the Company	Council, the Company
		Company issued	issued additional	issued additional
		additional	1,311,753,131 H shares	1,311,753,131 H shares
		1,311,753,131 H	upon its establishment,	upon its establishment,
		shares upon its	during which the holders of	during which the holders of
		establishment, during	State-owned shares	State-owned shares
		which the holders of	downsize their holdings in	downsize their holdings in
		State-owned shares	the Company by	the Company by
		downsize their	127,832,817 shares, and	127,832,817 shares, and
		holdings in the	such shares were	such shares were

Company by subsequently converted into subsequently converted into 127,832,817 shares, and such shares were	he hares,
127,832,817 shares, H shares. H shares.	he hares,
127,832,817 shares, H shares. H shares.	he hares,
	hares,
and such shares were	hares,
	hares,
subsequently Upon completion of the Upon completion of t	
converted into H aforesaid issue of H shares, aforesaid issue of H s	capital
shares. the Company's share the Company's share	
capital structure was as structure was as follo	ws:
Upon completion of follows: 2,699,513,131 2,699,513,131 ordina	ry
the aforesaid issue of ordinary shares, of which shares, of which	
H shares, the 333,481,261 shares were 333,481,261 shares w	ere
Company's share held by China National held by China Nation	al
capital structure was Building Material Group Building Material Group	oup
as follows: Corporation, a promoter of Corporation, a promo	ter of
2,699,513,131 the Company, representing the Company, represent	enting
ordinary shares, of 12.35% of the Company's 12.35% of the Compa	ıny's
which 333,481,261 total ordinary shares in total ordinary shares in	n
shares were held by issue; 742,783,478 shares issue; 742,783,478 sh	ares
China National were held by Beijing New were held by Beijing	New
Building Material Building Material Group Building Material Group	oup
Group Corporation, a Company Limited, a Company Limited, a	
promoter of the promoter of the Company, promoter of the Comp	pany,
Company, representing 27.52% of the representing 27.52%	of the
representing 12.35% Company's total ordinary Company's total ordinary	nary
of the Company's shares in issue; shares in issue; 113,8	59,765
total ordinary shares 113,859,765 shares were shares were held by C	China
in issue; 742,783,478 held by China National National Building Ma	nterial
shares were held by Building Material Import  Import and Export	
Beijing New and Export Company, a Company, a promoter	of the
Building Material promoter of the Company, Company, representing	ıg
Group Company representing 4.22% of the 4.22% of the Compar	ıy's
Limited, a promoter Company's total ordinary total ordinary shares in	n
of the Company, shares in issue; 69,216,154 issue; 69,216,154 sha	res
representing 27.52% shares were held by China were held by China C	inda
of the Company's Cinda Asset Management Asset Management C	0.,
total ordinary shares Co., Ltd., a promoter of the Ltd., a promoter of th	e

in issue; 113,859,765 Shares were held by China National Building Material Import and Export Company, representing 2.56% of the Company's total ordinary shares in issue; 586,525 shares were Import and Export Company, a promoter of the promoter of the Company, promoter of the Company	
shares were held by China National Building Material Import and Export Company, a  2.56% of the Company's total ordinary shares in issue; 586,525 shares were held by China Building Materials Academy, a  2.56% of the Company' total ordinary shares in issue; 586,525 shares w held by China Building Materials Academy, a	
shares were held by China National Building Material Import and Export Company, a  2.56% of the Company's total ordinary shares in issue; 586,525 shares were held by China Building Materials Academy, a  2.56% of the Company' total ordinary shares in issue; 586,525 shares w held by China Building Materials Academy, a	
China National total ordinary shares in Building Material issue; 586,525 shares were Import and Export Company, a total ordinary shares in issue; 586,525 shares were held by China Building Materials Academy, a Materials Academy, a	
Building Material issue; 586,525 shares were held by China Building Materials Academy, a issue; 586,525 shares which held by China Building Materials Academy, a materials Academy, a	S
Import and Export held by China Building held by China Building Company, a Materials Academy, a Materials Academy, a	
Company, a Materials Academy, a Materials Academy, a	ere
promoter of the promoter of the Company, promoter of the Company	
	ıy,
Company, representing 0.02% of the representing 0.02% of the	ne
representing 4.22% Company's total ordinary Company's total ordinary	y
of the Company's shares in issue; and shares in issue; and	
total ordinary shares 1,439,585,948 shares were 1,439,585,948 shares w	ere
in issue; 69,216,154 held by holders of H shares, held by holders of H shares	ires,
shares were held by representing 53.33% of the representing 53.33% of	the
China Cinda Asset Company's total ordinary Company's total ordinary	y
Management Co., shares in issue. shares in issue.	
Ltd., a promoter of	
the Company, Upon distribution of bonus Upon distribution of bonus	nus
representing 2.56% shares to the existing shares to the existing	
of the Company's shareholders, the shareholders, the	
total ordinary shares   Company's share capital   Company's share capital	l
in issue; 586,525 structure was as follows: structure was as follows	:
shares were held by 5,399,026,262 ordinary 5,399,026,262 ordinary	
China Building shares, of which shares, of which	
Materials Academy, 666,962,522 shares were 666,962,522 shares were	e
a promoter of the held by China National held by China National	
Company, Building Material Group Building Material Group	)
representing 0.02% Corporation, a promoter of Corporation, a promoter	of
of the Company's the Company, representing the Company, represent	ing
total ordinary shares   12.35% of the Company's   12.35% of the Company	's
in issue; and total ordinary shares in total ordinary shares in	
1,439,585,948 shares issue; 1,485,566,956 shares issue; 1,485,566,956 shares	ares
were held by holders   were held by Beijing New   were held by Beijing Ne	w
of H shares, Building Material Group Building Material Group	)
representing 53.33% Company Limited, a Company Limited, a	
of the Company's promoter of the Company, promoter of the Company	ıy,

total ordinary shares representing 27.52% of the in issue.  Company's total ordinary shares in issue; Shares in issue; Upon distribution of bonus shares to the leld by China National Shares in Issue;  National Building	
in issue.  Company's total ordinary shares in issue;  Upon distribution of bonus shares to the  Company's total ordinary shares in issue;  227,719,530 shares were shares were held by held by China National National Building	
in issue.  Company's total ordinary shares in issue;  Upon distribution of bonus shares to the  Company's total ordinary shares in issue;  227,719,530 shares were shares were held by held by China National National Building	
Shares in issue; shares in issue; 227,719,530 shares were beld by China National building.	% of the
Upon distribution of bonus shares to the 227,719,530 shares were shares were held by held by China National National Building	rdinary
bonus shares to the held by China National National Building	7,719,530
	y China
	Material
existing Building Material Import  Import and Export	
shareholders, the and Export Company, a Company, a promo	oter of the
Company's share promoter of the Company, Company, represen	nting
capital structure was representing 4.22% of the 4.22% of the Comp	pany's
as follows: Company's total ordinary total ordinary share	es in
5,399,026,262 shares in issue; issue; 138,432,308	shares
ordinary shares, of 138,432,308 shares were were held by China	a Cinda
which 666,962,522 held by China Cinda Asset Asset Management	t Co.,
shares were held by Management Co., Ltd., a Ltd., a promoter of	the
China National promoter of the Company, Company, represen	nting
Building Material representing 2.56% of the 2.56% of the Comp	pany's
Group Corporation, a Company's total ordinary total ordinary share	es in
promoter of the shares in issue; 1,173,050 issue; 1,173,050 sh	ares were
Company, shares were held by China held by China Buil	ding
representing 12.35% Building Materials Materials Academy	y, a
of the Company's Academy, a promoter of the promoter of the Co	mpany,
total ordinary shares   Company, representing   representing 0.02%	of the
in issue; 0.02% of the Company's Company's total or	rdinary
1,485,566,956 shares   total ordinary shares in   shares in issue; and	l
were held by Beijing issue; and 2,879,171,896 2,879,171,896 share	es were
New Building shares were held by holders held by holders of	H shares,
Material Group of H shares, representing representing 53.33	% of the
Company Limited, a 53.33% of the Company's Company's total or	rdinary
promoter of the total ordinary shares in shares in issue.	
Company, issue.	
representing 27.52% The merger by abs	orption of
of the Company's The merger by absorption China National Ma	iterials
total ordinary shares of China National Materials Company Limited	
in issue; 227,719,530 Company Limited ("Sinoma") by the	Company
shares were held by ("Sinoma") by the by way of issue of	

<u>No.</u>	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		China National	Company by way of issue	989,525,898 H shares to the
		Building Material	of 989,525,898 H shares to	holders of H shares of
		Import and Export	the holders of H shares of	Sinoma and issue of
		Company, a	Sinoma and issue of	2,046,218,502 unlisted
		promoter of the	2,046,218,502 unlisted	shares to the holders of
		Company,	shares to the holders of	unlisted shares of Sinoma.
		representing 4.22%	unlisted shares of Sinoma.	
		of the Company's		Upon completion of the said
		total ordinary shares	Upon completion of the	merger by absorption, the
		in issue; 138,432,308	said merger by absorption,	Company's share capital
		shares were held by	the Company's share	structure will be as follows:
		China Cinda Asset	capital structure will be as	8,434,770,662 ordinary
		Management Co.,	follows: 8,434,770,662	shares, of which
		Ltd., a promoter of	ordinary shares, of which	4,454,898,633 shares will be
		the Company,	4,454,898,633 shares will	domestic shares,
		representing 2.56%	be domestic shares,	representing 52.82% of the
		of the Company's	representing 52.82% of the	Company's total ordinary
		total ordinary shares	Company's total ordinary	shares in issue, among
		in issue; 1,173,050	shares in issue, among	which 666,962,522 shares
		shares were held by	which 666,962,522 shares	will be held by China
		China Building	will be held by China	National Building Material
		Materials Academy,	National Building Material	Group Corporation, a
		a promoter of the	Group Corporation, a	promoter of the Company,
		Company,	promoter of the Company,	representing 7.91% of the
		representing 0.02%	representing 7.91% of the	Company's total ordinary
		of the Company's	Company's total ordinary	shares in issue;
		total ordinary shares	shares in issue;	1,485,566,956 shares will be
		in issue; and	1,485,566,956 shares will	held by Beijing New
		2,879,171,896 shares	be held by Beijing New	Building Material Group
		were held by holders	Building Material Group	Company Limited, a
		of H shares,	Company Limited, a	promoter of the Company,
		representing 53.33%	promoter of the Company,	representing 17.61% of the
		of the Company's	representing 17.61% of the	Company's total ordinary
			Company's total ordinary	shares in issue; 227,719,530
			shares in issue;	shares will be held by China

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		total ordinary shares	227,719,530 shares will be	National Building Material
		in issue.	held by China National	Import and Export
			Building Material Import	Company, a promoter of the
			and Export Company, a	Company, representing
			promoter of the Company,	2.70% of the Company's
			representing 2.70% of the	total ordinary shares in
			Company's total ordinary	issue; 410,252,200 shares
			shares in issue;	will be held by China Cinda
			410,252,200 shares will be	Asset Management Co.,
			held by China Cinda Asset	Ltd., a promoter of the
			Management Co., Ltd., a	Company, representing
			promoter of the Company,	4.86% of the Company's
			representing 4.86% of the	total ordinary shares in
			Company's total ordinary	issue; 1,173,050 shares will
			shares in issue; 1,173,050	be held by China Building
			shares will be held by	Materials Academy, a
			China Building Materials	promoter of the Company,
			Academy, a promoter of the	representing 0.01% of the
			Company, representing	Company's total ordinary
			0.01% of the Company's	shares in issue;
			total ordinary shares in	1,663,224,375 shares will be
			issue; 1,663,224,375 shares	held by other holders of
			will be held by other	domestic shares,
			holders of domestic shares,	representing 19.72% of the
			representing 19.72% of the	Company's total ordinary
			Company's total ordinary	shares in issue; 111,174,235
			shares in issue;	shares will be unlisted
			111,174,235 shares will be	foreign shares, representing
			unlisted foreign shares,	1.32% of the Company's
			representing 1.32% of the	total ordinary shares in
			Company's total ordinary	issue; and 3,868,697,794
			shares in issue; and	shares will be H shares,
			3,868,697,794 shares will	representing 45.87% of the
			be H shares, representing	
			45.87% of the Company's	

No.	Article	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
			total ordinary shares in	Company's total ordinary
			issue.	shares in issue.
3	3.9	The Company's	The Company's registered	The Company's registered
		registered capital is	capital is	capital is
		RMB5,399,026,262.	RMB <u>8,434,770,662</u> 5,399,0	RMB <u>8,434,770,662</u> .
			<del>26,262</del> .	
4	6.12	Any shareholder who	Any shareholder who is	Any shareholder who is
		is registered in, or	registered in, or any person	registered in, or any person
		any person who	who requests to have his	who requests to have his
		requests to have his	name entered in, the	name entered in, the register
		name entered in, the	register of shareholders	of shareholders may, if his
		register of	may, if his share certificate	share certificate (the
		shareholders may, if	(the "original certificate")	"original certificate") is lost,
		his share certificate	is lost, apply to the	apply to the Company for a
		(the "original	Company for a replacement	replacement share certificate
		certificate") is lost,	share certificate in respect	in respect of such shares
		apply to the	of such shares (the	(the "relevant shares").
		Company for a	"relevant shares").	
		replacement share		If a holder of domestic
		certificate in respect	If a holder of domestic	shares and unlisted foreign
		of such shares (the	shares and a holder of	shares loses his share
		"relevant shares").	<u>unlisted foreign shares</u>	certificates and applies for
			loses his share certificates	their replacement, it shall be
		If a holder of	and applies for their	dealt with in accordance
		domestic shares loses	replacement, it shall be	with the provisions of
		his share certificates	dealt with in accordance	Article 143 of the Company
		and applies for their	with the provisions of	Law.
		replacement, it shall	Article 1434 of the	
		be dealt with in	Company Law.	
		accordance with the		
		provisions of Article		

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		144 of the Company		
		Law.		
5	7.1	A shareholder of the	A shareholder of the	A shareholder of the
		Company is a person	Company is a person who	Company is a person who
		who lawfully holds	lawfully holds shares of the	lawfully holds shares of the
		shares of the	Company and whose name	Company and whose name
		Company and whose	has been entered in its	has been entered in its
		name has been	register of shareholders.	register of shareholders.
		entered in its register		
		of shareholders.	A shareholder shall enjoy	A shareholder shall enjoy
			the relevant rights and	the relevant rights and
		A shareholder shall	assume the relevant	assume the relevant
		enjoy the relevant	obligations in accordance	obligations in accordance
		rights and assume the	with the class and number	with the class and number
		relevant obligations	of shares he holds.	of shares he holds.
		in accordance with	Shareholders holding the	Shareholders holding the
		the class and number	same class of shares shall	same class of shares shall be
		of shares he holds.	be entitled to the same	entitled to the same rights
		Shareholders holding	rights and assume the same	and assume the same
		the same class of	obligations.	obligations.
		shares shall be		
		entitled to the same	Holders of unlisted foreign	Holders of unlisted foreign
		rights and assume the	shares and holders of	shares and domestic shares
		same obligations.	domestic shares are in the	are in the same class of
			same class of shareholders	shareholders despite other
		The Company shall	despite other provisions of	provisions of these Articles
		not exercise any of	these Articles of	of Association, especially
		its powers to freeze	Association, especially for	for the holders of unlisted
		or otherwise impair	the holders of unlisted	foreign shares who shall be
		any of the rights	foreign shares who shall be	entitled to participate in and
		attached to any	entitled to participate in and	vote at the same class of
		shares of the	vote at the same class of	general meetings with

No.	<b>Article</b>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		Company by reason	general meetings with	holders of domestic shares
		only that a person or	holders of domestic shares	and receive the notice
		persons who are	and receive the notice	convening the same class of
		interested directly or	convening the same class of	general meetings, providing
		indirectly therein	general meetings, providing	that the holders of unlisted
		have failed to	that the holders of unlisted	foreign shares shall enjoy
		disclose their	foreign shares shall enjoy	the following rights:
		interests to the	the following rights:	
		Company.	1. to receive dividends declared by the Company in foreign currencies; and	<ol> <li>to receive dividends declared by the Company in foreign currencies; and</li> <li>in the event of the</li> </ol>
			2. in the event of the	winding-up of the Company,
			winding-up of the	to remit their respective
			Company, to remit their	shares in the remaining
			respective shares in the	assets (if any) of the
			remaining assets (if any) of	Company out of the PRC in
			the Company out of the	accordance with the
			PRC in accordance with the	applicable foreign exchange
			applicable foreign exchange	control laws and regulations
			control laws and	in the PRC.
			regulations in the PRC.	
				The Company shall not
			The Company shall not	exercise any of its powers to
			exercise any of its powers	freeze or otherwise impair
			to freeze or otherwise	any of the rights attached to
			impair any of the rights	any shares of the Company
			attached to any shares of	by reason only that a person
			the Company by reason	or persons who are
			only that a person or	interested directly or
			persons who are interested	indirectly therein have
			directly or indirectly therein	failed to disclose their
			have failed to disclose their	interests to the Company.
			interests to the Company.	
			1	

<u>No.</u>	<u>Article</u>	<b>Before revision</b>	After revision (with marks)	After revision (clean)
	<u>no.</u>			
	0.0	TTI ( C	TEL ( C 1	Tri
6	8.9	The notice of a	The notice of a general	The notice of a general
		general meeting shall	meeting shall be delivered	meeting shall be delivered to
		be delivered to	to shareholders (regardless	shareholders (regardless of
		shareholders	of whether they have the	whether they have the right
		(regardless of	right to vote at the general	to vote at the general
		whether they have the	meeting) personally or by	meeting) personally or by
		right to vote at the	prepaid mail. The addresses	prepaid mail. The addresses
		general meeting)	of the recipients shall be	of the recipients shall be
		personally or by	such addresses as shown in	such addresses as shown in
		prepaid mail. The	the register of shareholders.	the register of shareholders.
		addresses of the	Such notice of the general	Such notice of the general
		recipients shall be	meeting may also be given	meeting may also be given to
		such addresses as	to holders of domestic	holders of domestic shares
		shown in the register	shares <u>and holders of</u>	and holders of unlisted
		of shareholders. Such	unlisted foreign shares by	foreign shares by way of an
		notice of the general	way of an announcement.	announcement.
		meeting may also be		
		given to holders of	The announcement referred	The announcement referred
		domestic shares by	to in the preceding	to in the preceding paragraph
		way of an	paragraph shall be published	shall be published within a
		announcement.	within a period of forty-five	period of forty-five (45) to
			(45) to fifty (50) days prior	fifty (50) days prior to the
		The announcement	to the date of the general	date of the general meeting
		referred to in the	meeting in one or more	in one or more newspapers
		preceding paragraph	newspapers designated by	designated by the competent
		shall be published	the competent securities	securities authorities under
		within a period of	authorities under the State	the State Council. Once such
		forty-five (45) to fifty	Council. Once such an	an announcement is made,
		(50) days prior to the	announcement is made, all	all holders of the domestic
		date of the general	holders of the domestic	shares and holders of

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		masting in one or	shares and holders of	unlisted foreign shares shall
		meeting in one or	shares and holders of	unlisted foreign shares shall
		more newspapers	unlisted foreign shares shall	be deemed to have received
		designated by the	be deemed to have received	the notice of the general
		competent securities	the notice of the general	meeting.
		authorities under the	meeting.	
		State Council. Once		In respect of holders of
		such an	In respect of holders of	overseas listed foreign
		announcement is	overseas listed foreign	shares, notices of general
		made, all holders of	shares, notices of general	meetings may also be sent or
		the domestic shares	meetings may also be sent or	given by other applicable
		shall be deemed to	given by other applicable	means specified in Article
		have received the	means specified in Article	26.1 of these Articles of
		notice of the general	26.1 of these Articles of	Association, subject to the
		meeting.	Association, subject to the	laws and regulations of the
			laws and regulations of the	place of listing of the shares
		In respect of holders	place of listing of the shares	of the Company and the
		of overseas listed	of the Company and the	relevant requirements of the
		foreign shares,	relevant requirements of the	Hong Kong Stock Exchange.
		notices of general	Hong Kong Stock	
		meetings may also be	Exchange.	
		sent or given by other		
		applicable means		
		specified in Article		
		26.1 of these Articles		
		of Association,		
		subject to the laws		
		and regulations of the		
		place of listing of the		
		shares of the		
		Company and the		

No.	Article	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		relevant requirements		
		of the Hong Kong		
		Stock Exchange.		
		_		
7	10.7	Notices of extraordinary Board meetings should be delivered by hand, post, facsimile or email, or by phone, provided that a written confirmation is received afterward	•	Notices of extraordinary Board meetings should be delivered by hand, post, facsimile or email, or by phone, provided that a written confirmation is received afterward from the person being notified.
		from the person being notified.  Time limit for such	Time limit for such notices: five (5) days prior to the date of the meeting.	Time limit for such notices: five (5) days prior to the date of the meeting.
		notices: five (5) days prior to the date of the meeting.	In case of emergency and it is necessary to hold extraordinary Board meetings as soon as possible, notices of the meeting can be circulated at any time by phone or any other oral means, but the convener shall provide explanations at the meeting.	In case of emergency and it is necessary to hold extraordinary Board meetings as soon as possible, notices of the meeting can be circulated at any time by phone or any other oral means, but the convener shall provide explanations at the meeting.
8	17.19	Cash dividends or other payments payable by the Company to holders of its domestic shares shall be paid in RMB,	Cash dividends or other payments payable by the Company to holders of its domestic shares shall be paid in RMB <sub>7</sub> . Cash dividends or other payments	Cash dividends or other payments payable by the Company to holders of its domestic shares shall be paid in RMB. Cash dividends or other payments payable by

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		and those payable to	payable by the Company to	the Company to holders of
		holders of overseas	holders of its unlisted	its unlisted foreign shares
		listed foreign shares	<u>foreign</u> shares shall be	shall be declared and
		shall be declared and	declared and calculated in	calculated in RMB and paid
		calculated in RMB	RMB and paid in foreign	in foreign currency. Those
		and paid in	<u>currency</u> . <u>and</u> <u>t</u> Those	payable to holders of
		accordance with the	payable to holders of	overseas listed foreign
		relevant foreign	overseas listed foreign	shares shall be declared and
		exchange regulations	shares shall be declared and	calculated in RMB and paid
		of the State.	calculated in RMB and paid	in the currency of the listing
			in the currency of the listing	place of such foreign shares.
			place of such foreign shares.	
			accordance with the relevant	
			foreign exchange	
			regulations of the State.	
9	17.20	Unless otherwise	Dividends or other	The payment of dividends or
		stipulated by relevant	payments payable by the	other payments payable by
		laws and	Company to holders of its	the Company to holders of
		administrative	<u>foreign</u> shares shall be	its foreign shares shall be
		regulations, when	handled in accordance with	handled in accordance with
		cash dividends and	the relevant foreign	the relevant foreign
		other payments are	exchange regulations of the	exchange regulations of the
		paid in Hong Kong	State. Unless otherwise	State. Unless otherwise
		dollars, the exchange	stipulated by relevant laws	stipulated by relevant laws
		rate shall be equal to	and administrative	and administrative
		the average of the	regulations, the applicable	regulations, the applicable
		People's Bank of	when cash dividends and	exchange rate shall be equal
		China's closing rate	other payments are paid in	to the average exchange rate
		of exchange on each	Hong Kong dollars, the	of the People's Bank of
		day of the week	exchange rate shall be equal	China's closing rate of
		immediately	to the average exchange rate	exchange on each day of the
		preceding the date of	of the People's Bank of	week immediately preceding
		declaration of	China's closing rate of	the date of declaration of
		payment of such	exchange on each day of the	

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		dividends and other	week immediately	payment of such dividends
		payments.	preceding the date of	and other payments.
			declaration of payment of	
			such dividends and other	
			payments.	
10	22.2	The manager of the	The margar of the Company	The manage of the Company
10	22.2	The merger of the	The merger of the Company	The merger of the Company
		Company may take the form of either	may take the form of either	may take the form of either
		merger by absorption	merger by absorption or	merger by absorption or
		or merger by new	merger by new establishment.	merger by new establishment.
		establishment.	establishment.	estaunsiment.
		estachisminent.	In the event of a merger of	In the event of a merger of
		In the event of a	<u> </u>	the Company, all parties to
		merger of the	the merger shall enter into a	the merger shall enter into a
		Company, all parties	merger agreement and	merger agreement and
		to the merger shall	prepare balance sheets and	prepare balance sheets and
		enter into a merger	inventories of assets. The	inventories of assets. The
		agreement and	Company shall notify its	Company shall notify its
		prepare balance	creditors within ten (10)	creditors within ten (10)
		sheets and	days of the date of the	days of the date of the
		inventories of assets.	Company's resolution on	Company's resolution on
		The Company shall	merger and shall make a	merger and shall make a
		notify its creditors	public announcement in	public announcement in
		within ten (10) days	newspapers at least three (3)	newspapers within thirty
		of the date of the	times-within thirty (30) days	(30) days of the date of the
		Company's	of the date of the passing of	passing of a resolution on
		resolution on merger	a resolution on merger. The	merger. The creditors may,
		and shall make a	creditors may, within thirty	within thirty (30) days upon
		public announcement	(30) days upon receipt of the	receipt of the notice (for
		in newspapers at least	notice (for those who have	those who have not received
		three (3) times within	not received the notice,	the notice, within forty-five
		thirty (30) days of the	within forty-five (45) days	(45) days from the day of
		date of the passing of	from the day of making a	making a public
			public announcement)	announcement) request the

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		a resolution on	request the Company to	Company to repay the
		merger.	repay the liabilities or	liabilities or provide a
			provide a guarantee	guarantee correspondingly.
		After the merger the	correspondingly.	
		Company, the rights		After the merger the
		and liabilities of	After the merger the	Company, the rights and
		parties to the merger	Company, the rights and	liabilities of parties to the
		shall be assumed by	liabilities of parties to the	merger shall be assumed by
		the company which		the company which
		continues to exist	the company which	continues to exist after the
		after the merger or	continues to exist after the	merger or the newly
		the newly established	merger or the newly	established company.
		company.	established company.	
	•••			
11	22.3	When the Company	When the Company is	When the Company is
		is divided, its assets	divided, its assets shall be	divided, its assets shall be
		shall be split up	split up accordingly.	split up accordingly.
		accordingly.		
		In the arount of a	In the event of a division of	In the event of a division of
		In the event of a	the Company, all parties to	the Company, all parties to
		division of the	the division shall enter into	the division shall enter into a
		Company, all parties		division agreement and
			prepare balance sheets and inventories of assets. The	
				inventories of assets. The Company shall notify its
		agreement and prepare balance		creditors within ten (10)
		sheets and	days of the date of the	days of the date of the
		inventories of assets.	Company's resolution on	Company's resolution on
		The Company shall	division and shall make a	division and shall make a
		notify its creditors	public announcement in	public announcement in
		within ten (10) days	newspapers at least three (3)	newspapers within thirty
		of the date of the	times within thirty (30) days	(30) days of the date of the
		Company's	of the date of the passing of	passing of a resolution on
		resolution on division	a resolution on division.	division.
		and shall make a	and the state of t	
		Simil make u		

No.	Article	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		public announcement	<u>Unless otherwise stipulated</u>	Unless otherwise stipulated
		in newspapers at least	by the Company with the	by the Company with the
		three (3) times within	<u>creditors</u> in a written	creditors in a written
		thirty (30) days of the	agreement on the repayment	agreement on the repayment
		date of the passing of	of liabilities before its	of liabilities before its
		a resolution on	division, the liabilities	division, the liabilities
		division.	incurred by the Company	incurred by the Company
			before its division shall be	before its division shall be
		The liabilities	assumed by the companies	assumed by the companies
		incurred by the	after the division jointly and	after the division jointly and
		Company before its	severally. The liabilities	severally.
		division shall be	incurred by the Company	
		assumed by the	before its division shall be	
		companies after the	assumed by the companies	
		division in	after the division in	
		accordance with the	accordance with the	
		agreement reached.	agreement reached.	
12	23.4	The liquidation	The liquidation committee	The liquidation committee
		committee shall	shall notify creditors within	shall notify creditors within
		notify creditors	ten (10) days from the date	ten (10) days from the date
		within ten (10) days	of its establishment and	of its establishment and
		from the date of its	make a public	make a public
		establishment and	announcement in	announcement in
		make a public	newspapers at least three (3)	newspapers within sixty (60)
		announcement in	times within sixty (60) days	days of that date. The
		newspapers at least	of that date. The creditors	creditors shall report the
		three (3) times within	shall report the creditor's	creditor's claims to the
		sixty (60) days of that	claims to the liquidation	liquidation committee within
		date. The liquidation	committee within thirty (30)	thirty (30) days upon receipt
		committee shall	days upon receipt of the	of the notice (those who have
		register the creditor's	notice (those who have not	not received the notice shall
		claims.	received the notice shall	report their claims within
			report their claims within	forty-five (45) days from the
			forty-five (45) days from the	day of the making of the

No.	Article	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
			day of the making of the	
			<u>public announcement</u> ). The	liquidation committee shall
			liquidation committee shall	register the creditor's claims.
			register the creditor's	
			claims.	
13	25.1	The Company shall	The Company shall act	The Company shall act
		act according to the following principles	according to the following principles to settle disputes:	according to the following principles to settle disputes:
		to settle disputes:	(1) Whenever any disputes	(1) Whenever any disputes
		(1) Whenever any	or claims arise between	or claims arise between
		disputes or claims	holders of the overseas	holders of the overseas listed
		arise between holders	listed foreign shares and the	foreign shares and the
		of the overseas listed	Company, holders of the	Company, holders of the
		foreign shares and the	overseas listed foreign	overseas listed foreign
		Company, holders of	shares and the Company's	shares and the Company's
		the overseas listed	Directors, supervisors,	Directors, supervisors,
		foreign shares and the	general managers or other	general managers or other
		Company's Directors,	senior management	senior management
		supervisors, general	members, or holders of the	members, or holders of the
		managers or other	overseas listed foreign	overseas listed foreign
		senior management	shares and holders of	shares and holders of
		members, or holders	domestic shares or holders	domestic shares or holders of
		of the overseas listed	of unlisted foreign shares,	unlisted foreign shares,
		foreign shares and	based on the Articles of	based on the Articles of
		holders of domestic	Association or any rights or	Association or any rights or
		shares, based on the	obligations conferred or	obligations conferred or
		Articles of	imposed by the PRC	imposed by the PRC
		Association or any	Company Law or any other	Company Law or any other
		rights or obligations	relevant laws and	relevant laws and
		conferred or imposed	administrative regulations	administrative regulations
		by the PRC Company	concerning the affairs of the	concerning the affairs of the
		Law or any other	Company, such disputes or	Company, such disputes or
		relevant laws and	claims shall be referred by	claims shall be referred by
		administrative		
		regulations		

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
				.1
		concerning the affairs	*	the relevant parties to
		of the Company, such disputes or claims	arbitration.	arbitration.
		shall be referred by		
		the relevant parties to		
		arbitration.		
14	26.1	Save as otherwise	Save as otherwise provided	Save as otherwise provided
		provided in the	in the Articles of	in the Articles of Association
		Articles of	Association and subject to	and subject to the laws and
		Association and	the laws and administrative	administrative regulations
		subject to the laws	regulations and the listing	and the listing rules of the
		and administrative	rules of the place of listing,	place of listing, any
		regulations and the	any corporate	corporate communications
		listing rules of the	communications to be	to be issued by the Company
		place of listing, any	issued by the Company may	may be sent by any of the
		corporate	be sent by any of the	following means:
		communications to	following means:	(1) by hand;
		be issued by the	(1) by hand;	(2) by post;
		Company may be	(2) by post;	(3) by facsimile, electronic
		sent by any of the	(3) by facsimile, electronic	mail, disc or other electronic
		following means:	mail, disc or other electronic	means;
		(1) by hand;	means;	(4) in a manner of publishing
		(2) by post;	(4) in a manner of	on the website designated by
		(3) by facsimile,	publishing on the website	the Company and the Hong
		electronic mail, disc	designated by the Company	Kong Stock Exchange;
		or other electronic	and the Hong Kong Stock	(5) in the form of an
		means;	Exchange;	announcement;
		(4) in a manner of	(5) in the form of an	(6) by other means agreed in

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	no.			
		publishing on the	announcement;	advance between the
		website designated	(6) by other means agreed in	Company and the recipient
		by the Company and	advance between the	or such other approved
		the Hong Kong Stock	Company and the recipient	means as notified to the
		Exchange;	or such other approved	recipient; or
		(5) in the form of an	means as notified to the	(7) by any other means
		announcement;	recipient; or	approved by the regulatory
		(6) by other means	(7) by any other means	authority of the place of
		agreed in advance	approved by the regulatory	listing or provided in these
		between the	authority of the place of	Articles of Association.
		Company and the	listing or provided in these	The "announcements"
		recipient or such	Articles of Association.	referred to in these Articles
		other approved	The "announcements"	of Association, except as the context otherwise required,
		means as notified to	referred to in these Articles	shall, in respect of the
		the recipient; or	of Association, except as the context otherwise required,	notices sent to holders of
		(7) by any other	shall, in respect of the	domestic shares and holders
		means approved by	notices sent to holders of	of unlisted foreign shares or
		the regulatory	domestic shares and holders	required to be sent in the
		authority of the place	of unlisted foreign shares or	PRC under the relevant provisions and these Articles
		of listing or provided	required to be sent in the	of Association, mean the
		in these Articles of	PRC under the relevant provisions and these	public announcements
		Association.	Articles of Association,	published on the newspapers
		The	mean the public	and magazines in the PRC as
		"announcements"	announcements published	specified by the laws or
		referred to in these	on the newspapers and	administrative regulations of the PRC or by the securities
		Articles of	magazines in the PRC as	regulatory authority under
		Association, except	specified by the laws or administrative regulations	the State Council; or shall, in
		as the context	administrative regulations of the PRC or by the	respect of the notices sent to
		otherwise required,	securities regulatory	the holders of foreign shares
		shall, in respect of the	authority under the State	or required to be sent in

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		notices sent to	Council; or shall, in respect	Hong Kong under the
		notices sent to holders of domestic	of the notices sent to the	relevant provisions and these
			holders of foreign shares or	Articles of Association, be
		shares or required to	required to be sent in Hong	sent in accordance with the
		be sent in the PRC	Kong under the relevant	Hong Kong Listing Rules or
		under the relevant	provisions and these	other applicable rules and
		provisions and these	Articles of Association, be	regulations.
		Articles of	sent in accordance with the	
		Association, mean	Hong Kong Listing Rules or other applicable rules and	
		the public	regulations.	
		announcements		
		published on the		
		newspapers and		
		magazines in the		
		PRC as specified by		
		the laws or		
		administrative		
		regulations of the		
		PRC or by the		
		securities regulatory		
		authority under the		
		State Council; or		
		shall, in respect of the		
		notices sent to the		
		holders of foreign		
		shares or required to		
		be sent in Hong Kong		
		under the relevant		
		provisions and these		
		Articles of		
		Association, be sent		

No.	<u>Article</u>	Before revision	After revision (with marks)	After revision (clean)
	<u>no.</u>			
		in accordance with		
		the Hong Kong		
		Listing Rules or other		
		applicable rules and		
		regulations.		

## Proposed amendments to the Rules of Procedures of the Shareholders' General Meeting of CNBM

No.	Article no.	Before revision	After revision (with marks)	After revision (clean)
1	20	The notice of a general meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the general meeting) by personal delivery or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of domestic-invested shares, such notice of the general meeting may also be given by way of announcement.	meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the general meeting) by personal delivery or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of domestic-invested shares and holders of unlisted foreign shares, such	of whether they are entitled to vote at the general meeting) by personal delivery or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of domestic-invested shares and unlisted foreign shares,

			meeting may also be	given by way of			
			given by way of	announcement.			
			announcement.				
			•••••				
2	67	Shareholders holding	Shareholders holding	Shareholders holding			
		different classes of shares	different classes of shares	different classes of shares			
		shall be class	shall be class	shall be class			
		shareholders.	shareholders.	shareholders.			
				TT 1			
		Class shareholders shall	Unless otherwise	Unless otherwise			
		enjoy rights and assume	stipulated by laws and regulations and the	stipulated by laws and regulations and the			
		obligations pursuant to	Articles of Association,	Articles of Association,			
		the provisions of laws, administrative regulations and the	domestic shares and	domestic shares and			
			unlisted foreign shares	unlisted foreign shares			
			shall be deemed to be the	shall be deemed to be the			
		Articles of Association.	same class of shares.	same class of shares.			
			Holders of unlisted	Holders of unlisted			
			foreign shares and	foreign shares and			
			holders of domestic	holders of domestic			
			shares are the same class	shares are the same class			
			of shareholders	of shareholders			
			•	(especially for the holders of unlisted foreign shares			
			who shall be entitled to	who shall be entitled to			
			participate in and vote at	participate in and vote at			
			the same class of general meetings with holders of	the same class of general meetings with holders of			
			domestic shares and	domestic shares and			
			receive the notice	receive the notice			
			convening the same class	convening the same class			
			of general meetings).	of general meetings).			
			_	_			
			Class shareholders shall	Class shareholders shall			
			enjoy rights and assume	enjoy rights and assume			
			obligations pursuant to	obligations pursuant to			

	the provision	s of	laws,	the	provision	s of	laws,
	administrative			administrative			
	regulations	and	the	regu	ılations	and	the
	Articles of Association.			Articles of Association.			