

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CNBM

China National Building Material Company Limited*

中國建 材 股 份 有 限 公 司

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

(Stock Code: 3323)

**UPDATE ON
DISCLOSEABLE TRANSACTION –
ESTABLISHMENT OF A JOINT VENTURE**

Reference is made to the announcement of the Company dated 27 September 2019 (the “**Announcement**”) relating to the establishment of the Joint Venture by China United Cement (a wholly-owned subsidiary of the Company) and Henan Investment Group. Unless otherwise defined, the capitalized terms used in this announcement shall have the same meaning as defined in the Announcement.

On 27 December 2019, China United Cement and Henan Investment Group entered into a supplemental agreement to amend the Shareholders Agreement, pursuant to which the registered capital of the Joint Venture will increase from RMB9,225.3358 million (the “**Original Registered Capital**”) to RMB10,000 million, and the two parties will make pro-rata contribution to the registered capital. China United Cement will contribute in cash an additional RMB464.7985 million (“**Pro-rata Additional Capital Contribution**”), representing 60% of the additional registered capital of the Joint Venture, and Henan Investment Group will contribute in cash an additional RMB309.8657 million, representing 40% of the additional registered capital of the Joint Venture. The Pro-rata Additional Capital Contribution will be paid by China United Cement and Henan Investment Group concurrently and in the same proportion in accordance with the needs of operation and development of the Joint Venture.

Save as disclosed above, other terms of the Shareholders Agreement (including but not limited to the manner of contributing to the Original Registered Capital and the composition of the board of directors of the Joint Venture) was substantially unchanged.

In order to rapidly build up the scale and strength of the Joint Venture, build a leading enterprise in the building materials industry in Henan Province, and obtain more support granted based on the size of the Joint Venture, the Joint Venture needs to increase its registered capital. The directors of the Company are of the view that the amendment to the Shareholders Agreement (including the Pro-rata Additional Capital Contribution) is on terms which are fair and reasonable and is in the interests of the Company and its shareholders as a whole. All applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Pro-rata Additional Capital Contribution are below 5% on its own and would not result in a higher transaction classification (as compared to the previous classification of the transactions under the Shareholders Agreement) under the Listing Rules when aggregated with the transactions under the Shareholders Agreement, and therefore the Pro-rata Additional Capital Contribution on its own does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

By order of the Board
China National Building Material Company Limited*
Yu Kaijun
Secretary of the Board

Beijing, the PRC
27 December 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. Cao Jianglin, Mr. Peng Shou and Mr. Cui Xingtai as executive directors, Ms. Zhan Yanjing, Mr. Chang Zhangli, Mr. Tao Zheng, Mr. Chen Yongxin, Mr. Shen Yungang and Ms. Fan Xiaoyan as non-executive directors and Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Qian Fengsheng and Ms. Xia Xue as independent non-executive directors.

* *For identification purposes only*