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**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)

**PRE-CONDITIONAL CASH OFFER BY MORGAN STANLEY ASIA  
LIMITED ON BEHALF OF CHINA NATIONAL BUILDING MATERIAL  
COMPANY LIMITED TO BUY-BACK UP TO 841,749,304 H SHARES AT  
HK\$4.03 PER H SHARE**

**APPLICATION FOR WHITEWASH WAIVER  
AND  
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

**Financial Adviser to the Company**

**Morgan Stanley**

**Independent Financial Adviser to the Independent Board Committee**

 **Gram Capital Limited**  
**嘉林資本有限公司**

## **INTRODUCTION**

The Board announces that a pre-conditional cash offer will be made by Morgan Stanley on behalf of the Company to buy-back for cancellation, up to the Maximum Number, being 841,749,304 H Shares, representing approximately 9.98% of the issued Shares and approximately 18.47% of the issued H Shares as at the date of this announcement, at the Offer Price of HK\$4.03 per H Share. The H Shares to be bought-back by the Company will not exceed the Maximum Number.

The Offer will be made in accordance with the Codes. The consideration for the Offer, being a total of HK\$3,392,249,695 if the Offer is accepted in full, will be paid to the Accepting Shareholders in cash and will be funded by external borrowing and/or internal resources.

## **PRE-CONDITIONS OF THE OFFER**

The making of the Offer is subject to the satisfaction of the Pre-Conditions being:

- (a) the registration with SAFE in relation to the Offer having been completed and remaining in full force and effect pursuant to the provisions of relevant laws and regulations in the PRC; and
- (b) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the Offer (including its implementation) (if applicable) having been obtained or completed and remaining in full force and effect pursuant to the provision of any laws or regulations in the PRC and other relevant jurisdictions.

As at the date of this announcement and based on information available to the Company, save for the governmental registration as mentioned in Pre-Condition (a) above, the Company is not currently aware of any other applicable governmental authorisations, consents and approvals which are required in respect of the Offer.

All Pre-Conditions are incapable of being waived. If any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date, the Offer will not be made, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

## CONDITIONS OF THE OFFER

The Offer will be conditional upon fulfilment or waiver (where applicable) of all of the following Conditions:

- (a) the passing of special resolutions by a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the H Shareholders present and voting in person or by proxy at the H Shareholders' Class Meeting in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
- (b) the passing of special resolutions by a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the Domestic Shareholders present and voting in person or by proxy at the Domestic Shareholders' Class Meeting in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
- (c) the approval at the EGM by:
  - (i) a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the Shareholders present and voting in person or by proxy in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
  - (ii) a majority of not less than 50% of the votes cast by way of poll by the Independent Shareholders present and voting in person or by proxy in respect of the Offer; and
  - (iii) at least 75% of the votes cast by way of poll by the Independent Shareholders present and voting in person or by proxy in respect of the Whitewash Waiver;
- (d) valid acceptances of the Offer being received (and not, where permitted, withdrawn) in respect of the Maximum Number by 4:00 p.m. on the closing day of the Offer (or such later time and date as the Company may, subject to the Takeovers Code, decide);
- (e) the Executive granting the Whitewash Waiver and the satisfaction of any condition attached to the Whitewash Waiver and the Whitewash Waiver not having been revoked or withdrawn; and
- (f) all necessary consents in connection with the Offer which may be required under any existing contractual or other obligations of the Group, joint ventures and controlled corporations of the Company having been obtained and remaining in effect.

Save for Conditions (d) and (f) which may be waived by the Company, none of the above Conditions can be waived.

## **WHITEWASH WAIVER**

As at the date of this announcement, the CNBM Parent Concert Group holds 3,797,269,981 Shares (including 183,964,000 H Shares and 3,613,305,981 Domestic Shares), representing approximately 45.02% of the total number of issued Shares as at the date of this announcement. Pursuant to Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs Code, if as a result of a share buy-back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

Depending on the level of acceptances received from the Accepting Shareholders pursuant to the Offer, taking into account all the Conditions are fulfilled or waived (where applicable), the aggregate interests of the CNBM Parent Concert Group may increase to a maximum level of approximately 50.01% of the issued share capital of the Company upon completion of the Offer, thereby triggering an obligation under Rule 26 of the Takeovers Code for CNBM Parent to make a mandatory general offer for all the Shares not already owned by it and parties acting in concert with it. Accordingly, an application will be made to the Executive by CNBM Parent for the Whitewash Waiver.

## **GENERAL**

The Board approved the Offer and its related matters at its Board meeting on 6 December 2024. As Mr. Zhou Yuxian is the chairman of the board of CNBM Parent, Mr. Wei Rushan is a deputy general manager of CNBM Parent and Mr. Wang Yumeng is a deputy general manager of CNBM Parent, each of Mr. Zhou Yuxian, Mr. Wei Rushan and Mr. Wang Yumeng has abstained from voting on the board resolutions of the Company in respect of the Offer.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Offer, the reduction of the registered capital of the Company and relevant arrangements and the Whitewash Waiver. The CNBM Parent Concert Group will abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM. No Shareholder, other than the members of the CNBM Parent Concert Group, is required to abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM.

The H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting will be convened and held for the purposes of considering and, if thought fit, approving matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements. No Shareholder is required to abstain from voting on the resolutions in respect of the Offer to be proposed at the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting.

The Offer Document, which will contain, amongst other things, details (including a timetable) of the Offer, a letter of advice from the Independent Financial Adviser to the Independent Board Committee, a letter from the Independent Board Committee to the Independent Shareholders,

notices convening the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting, the Form of Acceptance and information relating to the procedures required for acceptance of the Offer and the Whitewash Waiver, will be despatched to the Shareholders as soon as practicable pursuant to the Codes.

The Independent Board Committee, comprising all the non-executive Directors (except Mr. Wang Yumeng who is a deputy general manager of CNBM Parent and Mr. Xiao Jiaxiang who is nominated by CNBM Parent), namely Mr. Shen Yungang and Mr. Chen Shaolong, and all the independent non-executive Directors, namely Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Li Jun and Ms. Xia Xue, who have no direct or indirect interest in the Offer and the Whitewash Waiver, has been formed to advise the Independent Shareholders in respect of the Offer and the Whitewash Waiver.

Gram Capital has been appointed by the Company (with the approval of the Independent Board Committee) as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer and the Whitewash Waiver.

**WARNING: The making of the Offer is subject to the satisfaction of the Pre-Conditions by the Pre-Conditions Long Stop Date. The making of the Offer is therefore a possibility only and may or may not take place. All references to the Offer in this announcement are references to the possible Offer which will be made if and only if the Pre-Conditions are satisfied by the Pre-Conditions Long Stop Date. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

**The Offer is subject to all of the Conditions being fulfilled or waived (where applicable). If the Whitewash Waiver is not granted by the Executive, or if the resolutions to approve the Offer or the Whitewash Waiver are not passed by the Independent Shareholders, the Offer will not proceed and will immediately lapse.**

**It should be noted that dealings in the Shares will continue notwithstanding that any of the Conditions may remain unfulfilled, and that persons dealing in the Shares will bear the risk that the Offer may lapse.**

**Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee to be contained in the Offer Document before deciding whether to vote for or against the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at (as applicable) the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting. Shareholders should also note that their voting decision on the resolutions in respect of the Offer, the reduction of the registered capital of the**

**Company and relevant arrangements and the Whitewash Waiver to be proposed at (as applicable) the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting will not affect their ability to accept or not accept the Offer. If Shareholders are in any doubt as to any aspect of the Offer and the Whitewash Waiver or as to the action to be taken, they should seek independent professional advice.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares and should consult their professional advisers when in doubt.**

## **NOTICE TO U.S. HOLDERS OF H SHARES**

*The Offer is being made for the securities of a company 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 information included in this announcement has been prepared in accordance with International Financial Reporting Standards or PRC GAAP and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The receipt of cash pursuant to the Offer by a U.S. holder of H Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of H Shares is urged to consult his/her/its independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.*

*U.S. holders of H Shares may encounter difficulty enforcing their rights and any claims arising out of the U.S. federal securities laws, as the Company is located in a country outside the United States and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of H 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 U.S. securities laws. Further, U.S. holders of H Shares may encounter difficulty compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.*

*In accordance with the Takeovers Code and Rule 14e-5(b)(12) of the U.S. Exchange Act, Morgan Stanley Asia Limited and its affiliates may continue to act as exempt principal traders in the Shares on the Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law and is made outside the United States. Any information about such purchases will be reported to the SFC if required by applicable laws and regulations and, to the extent made public by the SFC, will be available on the website of the SFC at <http://www.sfc.hk>.*

*The Offer will be made in the United States pursuant to the applicable U.S. tender offer rules or certain available exemptions or exceptions therefrom and otherwise in accordance with the requirements of the laws of Hong Kong. Accordingly, the Offer will be subject to Hong Kong*

*disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.*

## **INTRODUCTION**

The Board announces that a pre-conditional cash offer will be made by Morgan Stanley on behalf of the Company to buy-back for cancellation, up to the Maximum Number, being 841,749,304 H Shares, representing approximately 9.98% of the issued Shares and approximately 18.47% of the issued H Shares as at the date of this announcement, at the Offer Price of HK\$4.03 per H Share. The H Shares to be bought-back by the Company will not exceed the Maximum Number.

The Offer will be made in accordance with the Codes. The consideration for the Offer, being a total of HK\$3,392,249,695 if the Offer is accepted in full, will be paid to the Accepting Shareholders in cash and will be funded by external borrowing and/or internal resources.

## **SALIENT TERMS OF THE OFFER**

The salient terms of the Offer are as follows:

- (i) Morgan Stanley will make the Offer to the Shareholders on behalf of the Company to buy-back the H Shares, up to the Maximum Number, at the Offer Price;
- (ii) Shareholders may accept the Offer in respect of any number of their H Shares at the Offer Price up to their entire shareholding (subject to the procedures for scaling down and the treatment of fractions described under the section headed “*Other Terms of the Offer*” below);
- (iii) The Offer is conditional upon the Pre-Conditions and Conditions set out below, including but not limited to the Maximum Number being tendered for buy-back (unless otherwise waived);
- (iv) All H Shares validly tendered will be bought-back to the extent that the aggregate number of H Shares bought-back pursuant to the Offer will not thereby exceed the Maximum Number. If the number of H Shares validly tendered exceeds the Maximum Number, the number of H Shares to be bought-back from each Accepting Shareholder will be reduced proportionally so that the number of H Shares bought-back by the Company in aggregate is equal to the Maximum Number. Further details of the procedures for scaling down are described under the section headed “*Other Terms of the Offer*” below;
- (v) A Form of Acceptance duly received by or on behalf of the Company will become irrevocable and cannot be withdrawn after the Offer has been declared unconditional unless in accordance with Rule 19.2 of the Takeovers Code;

- (vi) H Shares will be bought-back in cash, free of commission, levies and dealing charges, save that the amount of seller's *ad valorem* stamp duty due on the H Shares bought-back attributable to the Accepting Shareholders, calculated at a rate of 0.1% of the market value of the H Shares to be bought-back under the Offer, or the consideration payable by the Company in respect of relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable to the Accepting Shareholders and the Company will arrange for payment of the seller's *ad valorem* stamp duty on behalf of the Accepting Shareholders in respect of the Offer;
- (vii) H Shares bought-back will be treated as cancelled and will not be entitled to any dividend declared for any record date set subsequent to the date of their cancellation and the registered capital of the Company will be reduced accordingly. As at the date of this announcement, the Company does not intend to announce, declare or pay any special dividend, distribution or other return of capital outside the normal course; and
- (viii) H Shares will be bought-back free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature. Accordingly, the submission of a Form of Acceptance by an Accepting Shareholder will be deemed to constitute a warranty by that Accepting Shareholder to Morgan Stanley and the Company that the H Shares are being sold free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and other distributions declared, made or paid, if any, on or after the date of their cancellation. As at the date of this announcement, there are no dividends or other distributions declared by the Company that have not been paid.

In compliance with Rule 3 of the Share Buy-backs Code, the Offer will be subject to the approval by the Independent Shareholders in a general meeting by a majority of votes by way of poll and will also be subject to the other Conditions as referred to in the section headed "*Conditions of the Offer*" below.

Subject to the terms and conditions of the Offer, the consideration under the Offer will not be despatched until after the Form of Acceptance is completed in all respects and the share certificate(s), and/or transfer receipts(s) and/or other document(s) of title satisfactory to the Company have been received. Assuming the Offer has become unconditional, H Shares tendered under the Offer shall be paid for by the Company as soon as possible but in any event no later than seven (7) Business Days following the close of the Offer.

The detailed terms of the Offer will be set out in the Offer Document.

## **THE OFFER PRICE**

The Offer Price of HK\$4.03 per H Share values the entire issued share capital of the Company as at the date of this announcement at approximately HK\$33,992 million.



The Offer Price represents:

- (a) a premium of approximately 15.1% over the closing price of the H Shares of HK\$3.50 as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 16.7% over the average closing price of approximately HK\$3.45 per H Share as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 19.8% over the average closing price of approximately HK\$3.36 per H Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 19.5% over the average closing price of approximately HK\$3.37 per H Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;
- (e) a premium of approximately 29.1% over the average closing price of approximately HK\$3.12 per H Share as quoted on the Stock Exchange for the last 60 trading days up to and including the Last Trading Day;
- (f) a discount of approximately 70.2% to the Group's audited net asset value attributable to the Shareholders of approximately RMB12.49 (equivalent to approximately HK\$13.52 based on the exchange rate of HK\$1:RMB0.9235) per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2023 (prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board), calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB105,325,482 (amount in thousands) as at 31 December 2023 and 8,434,770,662 Shares in issue as at the date of this announcement;
- (g) a discount of approximately 68.3% to the Group's unaudited net asset value attributable to the Shareholders of approximately RMB11.72 (equivalent to approximately HK\$12.70 based on the exchange rate of HK\$1:RMB0.9235) per Share pursuant to the unaudited consolidated financial statements of the Company as at 30 June 2024 (prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board), calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB98,888,406 (amount in thousands) as at 30 June 2024 and 8,434,770,662 Shares in issue as at the date of this announcement; and
- (h) a discount of approximately 68.6% to the Group's unaudited net asset value attributable to the Shareholders of approximately RMB11.86 (equivalent to approximately HK\$12.84 based on the exchange rate of HK\$1:RMB0.9235) per Share pursuant to the unaudited consolidated financial statements of the Company as at 30 September 2024 (prepared in accordance with PRC GAAP),

calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB100,023,628,409 as at 30 September 2024 and 8,434,770,662 Shares in issue as at the date of this announcement.

If, after the date of this announcement, any dividend, distribution or other return of capital is declared, paid, made or agreed to be paid or made in respect of the Shares, the Company reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or other distribution per Share, after consultation with the Executive.

The Offer Price was determined after taking into account, among other things, the historical prices of the H Shares traded on the Stock Exchange, historical financial information of the Company, and the prevailing market conditions and sentiments, and with reference to share buy-back transactions in Hong Kong in recent years.

### **CONFIRMATION OF FINANCIAL RESOURCES**

At the Offer Price, the Offer, if accepted in full, will result in the Company paying HK\$3,392,249,695 in aggregate to the Accepting Shareholders in cash which will be funded by external borrowing and/or internal resources. Morgan Stanley is satisfied that sufficient financial resources are available to the Company to enable it to satisfy acceptances of the Offer in full.

### **PRE-CONDITIONS OF THE OFFER**

The making of the Offer is subject to the satisfaction of the Pre-Conditions being:

- (a) the registration with SAFE in relation to the Offer having been completed and remaining in full force and effect pursuant to the provisions of relevant laws and regulations in the PRC; and
- (b) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the Offer (including its implementation) (if applicable) having been obtained or completed and remaining in full force and effect pursuant to the provision of any laws or regulations in the PRC and other relevant jurisdictions.

As at the date of this announcement and based on information available to the Company, save for the governmental registration as mentioned in Pre-Condition (a) above, the Company is not currently aware of any other applicable governmental authorisations, consents and approvals which are required in respect of the Offer.

All Pre-Conditions are incapable of being waived. If any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date, the Offer will not be made, and Shareholders will be notified by a further announcement as soon as practicable thereafter.

The Company will issue a further announcement as soon as practicable after the Pre-Conditions have been satisfied.

**WARNING: The making of the Offer is subject to the satisfaction of the Pre-Conditions by the Pre-Conditions Long Stop Date. The making of the Offer is therefore a possibility only and may or may not take place. All references to the Offer in this announcement are references to the possible Offer which will be made if and only if the Pre-Conditions are satisfied by the Pre-Conditions Long Stop Date. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.**

## **CONDITIONS OF THE OFFER**

The Offer will be conditional upon fulfilment or waiver (where applicable) of all of the following Conditions:

- (a) the passing of special resolutions by a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the H Shareholders present and voting in person or by proxy at the H Shareholders' Class Meeting in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
- (b) the passing of special resolutions by a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the Domestic Shareholders present and voting in person or by proxy at the Domestic Shareholders' Class Meeting in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
- (c) the approval at the EGM by:
  - (i) a majority of not less than two-thirds (2/3) of the votes cast by way of poll by the Shareholders present and voting in person or by proxy in respect of matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements;
  - (ii) a majority of not less than 50% of the votes cast by way of poll by the Independent Shareholders present and voting in person or by proxy in respect of the Offer; and
  - (iii) at least 75% of the votes cast by way of poll by the Independent Shareholders present and voting in person or by proxy in respect of the Whitewash Waiver;
- (d) valid acceptances of the Offer being received (and not, where permitted, withdrawn) in respect of the Maximum Number by 4:00 p.m. on the closing day of the Offer (or such later time and date as the Company may, subject to the Takeovers Code, decide);
- (e) the Executive granting the Whitewash Waiver and the satisfaction of any condition attached to the Whitewash Waiver and the Whitewash Waiver not having been revoked or withdrawn; and

- (f) all necessary consents in connection with the Offer which may be required under any existing contractual or other obligations of the Group, joint ventures and controlled corporations of the Company having been obtained and remaining in effect.

Save for Conditions (d) and (f) which may be waived by the Company, none of the above Conditions can be waived.

The CNBM Parent Concert Group and those who are involved in or interested in the Whitewash Waiver and/or the Offer (other than as a Shareholder) will abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM.

**WARNING: The Offer is subject to all of the Conditions being fulfilled or waived (where applicable). If the Whitewash Waiver is not granted by the Executive, or if the resolutions to approve the Offer or the Whitewash Waiver are not passed by the Independent Shareholders, the Offer will not proceed and will immediately lapse.**

It should be noted that dealings in the Shares will continue notwithstanding that any of the Conditions may remain unfulfilled, and that persons dealing in the Shares will bear the risk that the Offer may lapse.

Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee to be contained in the Offer Document before deciding whether to vote for or against the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at (as applicable) the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting. Shareholders should also note that their voting decision on the resolutions in respect of the Offer, the reduction of the registered capital of the Company and relevant arrangements and the Whitewash Waiver to be proposed at (as applicable) the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting will not affect their ability to accept or not accept the Offer. If Shareholders are in any doubt as to any aspect of the Offer and the Whitewash Waiver or as to the action to be taken, they should seek independent professional advice.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and should consult their professional advisers when in doubt.

Pursuant to Rule 5.1 of the Share Buy-backs Code and Rule 15.3 of the Takeovers Code, if the Offer is declared unconditional, Shareholders who have not tendered their H Shares for acceptance will be able to tender their H Shares for acceptance under the Offer for a period of 14 days thereafter.

## **OTHER TERMS OF THE OFFER**

Shareholders may accept the Offer in respect of some or all of their shareholding. If valid acceptances are received for the Maximum Number, all H Shares validly accepted will be bought-back. If valid acceptances received exceed the Maximum Number, the total number of H Shares to be bought-back by the Company from each Accepting Shareholder will be determined in accordance with the following formula:

$$\frac{A}{B} \times C$$

A = 841,749,304, being the Maximum Number

B = Total number of H Shares tendered by all Accepting Shareholders under the Offer

C = Total number of H Shares tendered by the relevant individual Accepting Shareholder under the Offer

As a result, it is possible that not all of such H Shares tendered by an Accepting Shareholder will ultimately be bought-back. The total number of H Shares which will be bought-back by the Company will not exceed the Maximum Number.

Fractions of H Shares will not be bought-back under the Offer and, accordingly, the number of H Shares that the Company will buy-back from each Accepting Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Company, provided that the total number of H Shares which will be bought-back by the Company will not exceed the Maximum Number.

The decision of the Company as to any scaling down of acceptances in accordance with the above formula and as to the treatment of fractions will be conclusive and binding on all Shareholders.

## **OVERSEAS H SHAREHOLDERS**

The making of the Offer to Overseas H Shareholders may be subject to the laws of the relevant jurisdictions. The laws of the relevant jurisdictions may prohibit the making of the Offer to Overseas H Shareholders or require compliance with certain filing, registration or other requirements in respect of the Offer. The Company reserves the right, subject to the consent of the Executive and the relevant legal requirements, to make special arrangements with respect to Overseas H Shareholders whose receipt of the Offer Document and the Form of Acceptance is subject to the laws of the overseas jurisdiction. Details of Overseas H Shareholders will be set out in the Offer Document. The Company will comply with the requirements under Rule 8 (subject to Note 3 to Rule 8) of the Takeovers Code in respect of Overseas H Shareholders.

**It is the responsibility of each Overseas H Shareholder who wishes to accept the Offer to satisfy himself or herself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or compliance with other necessary formalities or legal requirements. Any acceptance of the Offer by any Shareholder shall be deemed to constitute a representation and warranty from such Shareholder to the Company and Morgan Stanley that all applicable local laws and requirements have been observed and complied with. Shareholders should consult their professional advisers if in doubt.**

The Company shall give notice of any matter in relation to the Offer to the Shareholders by issuing announcements or advertisements in accordance with its articles of association, the Codes and the Listing Rules and, if so given, shall be deemed to have been sufficient for all effective purposes, despite any failure by any Overseas H Shareholder to receive the same.

### **ODD LOTS**

The H Shares are currently traded in board lot of 2,000 H Shares each. There is no intention to change the board lot size as a result of the Offer. Shareholders should note that acceptance of the Offer may result in their holding of odd lots of H Shares. The Company will make arrangements to appoint a designated broker to match sales and purchases of odd lot holdings of H Shares for a reasonable period after completion of the Offer in order to enable such Accepting Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Details of such arrangements will be included in the Offer Document and will be disclosed by way of separate announcement as and when appropriate.

### **NOMINEE REGISTRATION OF H SHARES**

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold H Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of the H Shares, whose investments are registered in nominee names (including those whose interests in H Shares are held through CCASS), to accept the Offer, it is essential that they provide instructions to their nominee agents of their intentions with regard to the Offer as soon as possible. Shareholders with their H Shares held by a nominee company may consider whether they would like to arrange for registration of the relevant H Shares in the name of the beneficial owner(s).

### **WHITEWASH WAIVER**

As at the date of this announcement, the CNBM Parent Concert Group holds 3,797,269,981 Shares (including 183,964,000 H Shares and 3,613,305,981 Domestic Shares), representing approximately 45.02% of the total number of issued Shares as at the date of this announcement. Pursuant to Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs Code, if as a result of a share buy-back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

Depending on the level of acceptances received from the Accepting Shareholders pursuant to the Offer, taking into account all the Conditions are fulfilled or waived (where applicable), the aggregate interests of the CNBM Parent Concert Group may increase to a maximum level of approximately 50.01% of the issued share capital of the Company upon completion of the Offer, thereby triggering an obligation under Rule 26 of the Takeovers Code for CNBM Parent to make a mandatory general offer for all the Shares not already owned by it and parties acting in concert with it. Accordingly, an application will be made to the Executive by CNBM Parent for the Whitewash Waiver.

The Offer will be conditional upon the approval of the relevant resolutions at the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting, the Offer and the Whitewash Waiver being approved by the Independent Shareholders at the EGM and the Whitewash Waiver being granted by the Executive.

**If the Offer or the Whitewash Waiver is not approved by the Independent Shareholders, or if the Whitewash Waiver is not granted by the Executive, the Offer will not proceed and will immediately lapse.**

Depending on the level of acceptances received from the Accepting Shareholders pursuant to the Offer and in the event that the aggregate interests of the CNBM Parent Concert Group exceed 50% of the issued Shares upon completion of the Offer, the CNBM Parent Concert Group may increase its aggregate shareholding in the Company subsequent to completion of the Offer without triggering any obligation under Rule 26 of the Takeovers Code to make a mandatory general offer.

As at the date of this announcement, the Company does not believe that the transactions under the Offer and the Whitewash Waiver would give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules) in Hong Kong. If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Offer Document. The Company notes that the Executive may not grant the Whitewash Waiver if the transactions under the Offer and the Whitewash Waiver do not comply with other applicable rules and regulations.

## **CHANGES IN SHAREHOLDING STRUCTURE**

The table below shows the Company's shareholding structure as at the date of this announcement and immediately after completion of the Offer, assuming that (i) all the H Shares (other than the H Shares held by CNBM Parent Concert Group) will be tendered under the Offer; (ii) there will be no other change in the issued share capital of the Company from the date of this announcement up to and including the date of completion of the Offer:

Name of Shareholder	As at the date of this announcement			Immediately after completion of the Offer		
	Class of Shares	Number of Shares	Approx. % of total share capital	Class of Shares	Number of Shares	Approx. % of total share capital
<b>H Shareholders</b>						
<b>CNBM Parent Concert Group</b>						
CNBM Parent	H Shares	8,536,000	0.10	H Shares	8,536,000	0.11
Corporations controlled by CNBM Parent	H Shares	175,428,000	2.08	H Shares	175,428,000	2.31
<b>Sub-total</b>	H Shares	183,964,000	2.18	H Shares	183,964,000	2.42
<b>Independent H Shareholders</b>	H Shares	4,374,182,500	51.86	H Shares	3,532,433,196	46.52
<b>Sub-total of H Shareholders</b>	H Shares	4,558,146,500	54.04	H Shares	3,716,397,196	48.94
<b>Domestic Shareholders</b>						
<b>CNBM Parent Concert Group</b>						
CNBM Parent	Domestic Shares	628,592,008	7.45	Domestic Shares	628,592,008	8.28
Corporations controlled by CNBM Parent	Domestic Shares	2,984,713,973	35.39	Domestic Shares	2,984,713,973	39.31
<b>Sub-total</b>	Domestic Shares	3,613,305,981	42.84	Domestic Shares	3,613,305,981	47.59
<b>Independent Domestic Shareholders</b>						
Corporation controlled by Taishan Finance	Domestic Shares	263,318,181	3.12	Domestic Shares	263,318,181	3.47
<b>Sub-total of Domestic Shareholders</b>	Domestic Shares	3,876,624,162	45.96	Domestic Shares	3,876,624,162	51.06
<b>Sub-total of CNBM Parent Concert Group</b>	H Shares and Domestic Shares	3,797,269,981	45.02	H Shares and Domestic Shares	3,797,269,981	50.01
<b>Total</b>		<b>8,434,770,662</b>	<b>100.00</b>		<b>7,593,021,358</b>	<b>100.00</b>

*Notes:*

1. Morgan Stanley is the financial adviser to the Company in connection with the Offer. Accordingly, Morgan Stanley and the relevant members of the Morgan Stanley group which hold Shares on an own account basis or manage Shares on a discretionary basis are presumed to be acting in concert with the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of the Shares held by members of the Morgan Stanley group 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).

Details of holdings, borrowings or lendings of, and dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held by or entered into by members of the Morgan Stanley group, if any, will be obtained as soon as possible after the date of this announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Company if the holdings, borrowings, lendings, or dealings of the members of the Morgan Stanley group are significant and in any event, such information will be disclosed in the Offer Document.

2. Percentages may not add up to 100% due to rounding.



Assuming that (i) all the H Shares (other than the H Shares held by CNBM Parent Concert Group) will be tendered under the Offer; and (ii) there will be no other change in the issued share capital of the Company from the date of this announcement up to and including the date of completion of the Offer, over 25% of the issued Shares will be held by public Shareholders and accordingly the Company will comply with the public float requirement under Rule 8.08 of the Listing Rules after completion of the Offer.

As at the date of this announcement, save as disclosed above, neither the CNBM Parent Concert Group, nor the Company nor parties acting in concert with the Company holds, owns, controls or has direction over any Shares, outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares, or has entered into any outstanding derivatives in respect of securities in the Company.

As at the date of this announcement, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company which were required to be recorded in the register required to be kept under Section 352 of the SFO, or otherwise required to be notified by the Directors pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers nor have they been granted the right to acquire any interests in Shares or debentures of the Company.

## **DEALINGS IN SHARES**

The Company will not conduct any on-market share buy-back from the date of this announcement up to and including the date on which the Offer closes, lapses or is withdrawn, as the case may be. CNBM Parent has confirmed (for itself and on behalf of parties acting in concert with it) that there has been no dealings in the securities in the Company by CNBM Parent Concert Group in the six months immediately prior to and including the date of this announcement.

## **OTHER ARRANGEMENTS**

As at the date of this announcement, there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the Shares and relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which might be material to the Offer or the Whitewash Waiver.

There is no agreement or arrangement, to which the Company or CNBM Parent is a party, which relates to circumstances in which it/he may or may not invoke or seek to invoke a Pre-Condition or a Condition to the Offer or the Whitewash Waiver (save as those set out in the section headed "*Conditions of the Offer*" above).

Neither of the Company nor its concert parties, nor the CNBM Parent Concert Group, has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this announcement, there is no understanding, arrangement, agreement or special deal between (i) any Shareholder of the Company; and (ii) either (a) the Company, its subsidiaries or associated companies; or (b) the CNBM Parent Concert Group.

As at the date of this announcement and save for the Offer Price payable under the Offer, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Company, its concert parties or the CNBM Parent Concert Group to any Shareholder in connection with the Offer or the Whitewash Waiver.

## **INFORMATION ON THE COMPANY AND CNBM PARENT**

The Company is a leading building materials company in the PRC with significant operations in basic building materials, new materials and engineering technical services businesses.

The CNBM Parent is a state-owned limited liability company engaged in the business of building materials in the PRC.

## **FINANCIAL INFORMATION OF THE GROUP**

Set out below is a summary of the consolidated financial results of the Group for (i) the two years ended 31 December 2022 and 2023 and the six months ended 30 June 2024 as extracted from the annual reports of the Company for the two years ended 31 December 2022 and 2023 and the interim report of the Company for the six months ended 30 June 2024, respectively (prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board) and (ii) the nine months ended 30 September 2024 as extracted from the announcement of the Company dated 25 October 2024 (prepared in accordance with PRC GAAP) which was published in accordance with the relevant PRC regulations during the term of certain super short-term commercial paper and medium-term debenture issued by the Company:

- (i) For the two years ended 31 December 2022 and 2023 and the six months ended 30 June 2024 (prepared in accordance with IFRS Accounting Standards):

	<b>For the year ended</b>		<b>Six months</b>
	<b>31 December</b>		<b>ended 30 June</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Audited)	(Audited)	(Unaudited)
Revenue	233,879,825	210,216,434	83,470,594
Profit/(Loss) before tax	18,009,599	12,519,922	327,196
Profit/(Loss) after tax	15,403,268	10,400,650	(292,353)

(ii) For the nine months ended 30 September 2024 (prepared in accordance with PRC GAAP):

	<b>Nine months ended 30 September 2024</b>
	<i>RMB'000</i>
	(Unaudited)
Operating revenue	134,233,570
Total profit/(Loss) before income tax	2,994,985
Net profit/(Loss) after income tax	1,912,104

The consolidated net assets of the Company (i) as at 31 December 2023 and 30 June 2024 were approximately RMB193,514 million (audited) and RMB189,762 million (unaudited), respectively (prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board) and (ii) as at 30 September 2024 were approximately RMB190,788 million (unaudited) (prepared in accordance with PRC GAAP).

#### **FUTURE INTENTIONS ON THE GROUP**

It is the intention of the Group and CNBM Parent that the Group will continue to carry on its business, and the Company's listing on the Stock Exchange will be maintained upon completion of the Offer. The Group and CNBM Parent do not have specific plans: (a) to introduce any major changes to the existing principal business of the Group (including, without limitation, those set out under the section headed "*Information on the Company and CNBM Parent*"); (b) to re-deploy the material fixed assets of the Group; or (c) to discontinue the employment of the employees of the Group other than in the ordinary course of business of the Group or due to personal performance or conduct issues.

#### **REASONS FOR AND FINANCIAL EFFECTS OF THE OFFER**

The Offer represents a premium of approximately 15.1% over the closing price of HK\$3.50 of the H Shares as quoted on the Stock Exchange on the Last Trading Day and a premium of approximately 19.5% over HK\$3.37 which is the average closing price per H Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day.

The Company believes that the Offer provides an opportunity for the Shareholders either to tender H Shares to realise part of their investments in the Company at a premium to recent market prices, or to increase their proportionate equity interests in the Company by retaining their shareholdings and participating in the future prospects of the Group. Therefore, the Offer provides the Shareholders a mechanism which allows them to decide upon their preferred level of investment in the Company and allows the Shareholders who do not wish to exit from their investments in the Company to enjoy the benefits of enhanced Shareholder value.

The Company is a leading building materials company in the PRC with significant operations in basic building materials, new materials, and engineering technical services businesses. The price of the H Shares has historically been traded at a significant discount to the Group's net asset value per H Share.

The Offer demonstrates the Company's confidence in long-term prospects and intrinsic value, thereby sending positive signals to the market as well as the Company's stakeholders including employees and customers. The Offer will also improve the trading dynamics and refresh the Company's shareholders' structure.

The Offer will enhance the earnings per Share as well as net asset value per Share upon completion of the Offer.

Further details of the financial effects of the Offer, including the effects of the Offer on the net assets of the Group, the Group's net asset value per Share, the earnings of the Group and earnings per Share, will be set out in the Offer Document.

## **GENERAL**

The Board approved the Offer and its related matters at its Board meeting on 6 December 2024. As Mr. Zhou Yuxian is the chairman of the board of CNBM Parent, Mr. Wei Rushan is a deputy general manager of CNBM Parent and Mr. Wang Yumeng is a deputy general manager of CNBM Parent, each of Mr. Zhou Yuxian, Mr. Wei Rushan and Mr. Wang Yumeng has abstained from voting on the board resolutions of the Company in respect of the Offer.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Offer, the reduction of the registered capital of the Company and relevant arrangements and the Whitewash Waiver. The CNBM Parent Concert Group will abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM. No Shareholder, other than the members of the CNBM Parent Concert Group, is required to abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM.

The H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting will be convened and held for the purposes of considering and, if thought fit, approving matters relating to the Offer, the reduction of the registered capital of the Company and relevant arrangements. No Shareholder is required to abstain from voting on the resolutions in respect of the Offer to be proposed at the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting.

The Offer Document, which will contain, amongst other things, details (including a timetable) of the Offer, a letter of advice from the Independent Financial Adviser to the Independent Board Committee, a letter from the Independent Board Committee to the Independent Shareholders, notices convening the EGM, the H Shareholders' Class Meeting and the Domestic Shareholders' Class Meeting, the

Form of Acceptance and information relating to the procedures required for acceptance of the Offer and the Whitewash Waiver, will be despatched to the Shareholders as soon as practicable pursuant to the Codes.

The Independent Board Committee, comprising all the non-executive Directors (except Mr. Wang Yumeng who is a deputy general manager of CNBM Parent and Mr. Xiao Jiayang who is nominated by CNBM Parent), namely Mr. Shen Yungang and Mr. Chen Shaolong, and all the independent non-executive Directors, namely Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Li Jun and Ms. Xia Xue, who have no direct or indirect interest in the Offer and the Whitewash Waiver, has been formed to advise the Independent Shareholders in respect of the Offer and the Whitewash Waiver.

Gram Capital has been appointed by the Company (with the approval of the Independent Board Committee) as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer and the Whitewash Waiver.

Morgan Stanley has been appointed as the financial adviser to the Company in respect of the Offer.

**Shareholders and potential investors should note that the making of the Offer is subject to all the Pre-Conditions being fulfilled in full, and the Offer is subject to all of the Conditions being fulfilled or waived (where applicable). Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEALINGS DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Codes, including any person who owns or controls 5% or more of any class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

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

### ***“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 of an offeror or the offeree company 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 \$1 million.*

*This dispensation does not alter the obligation 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.”*

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

“Accepting Shareholder(s)”	Shareholder(s) accepting the Offer;
“acting in concert”	has the meaning ascribed to it under the Codes;
“Board”	the board of Directors;
“Business Day(s)”	has the meaning ascribed to it under the Codes;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“CNBM Parent”	China National Building Material Group Co., Ltd.* (中國建材集團有限公司), a state-owned enterprise wholly owned by the SASAC, the parent company of the Company;
“CNBM Parent Concert Group”	CNBM Parent and parties acting in concert with it;
“Codes”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs;
“Company”	China National Building Material Company Limited (中國建材股份有限公司), a joint stock limited company incorporated under the laws of the PRC, the H Shares of which are listed on the Stock Exchange (Stock Code:03323);
“Conditions”	the conditions to which the Offer is subject, as set out under the section headed “ <i>Conditions of the Offer</i> ” in this announcement;
“Director(s)”	the director(s) of the Company;

“Domestic Shares”	the ordinary shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are subscribed for in RMB;
“Domestic Shareholders”	the holders of Domestic Shares;
“Domestic Shareholders’ Class Meeting”	CNBM’s class meeting to be convened for Domestic Shareholders, or any adjournment thereof, to consider and, if thought fit, approve the Offer, the reduction of the registered capital of the Company and relevant arrangements;
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the resolutions in respect of the Offer and the Whitewash Waiver;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director;
“Form of Acceptance”	the form of acceptance to be issued with the Offer Document to Shareholders for use by such persons in connection with the Offer;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“H Shares”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the registered capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HKD;
“H Shareholders”	the holders of H Shares;
“H Shareholders’ Class Meeting”	CNBM’s class meeting to be convened for H Shareholders, or any adjournment thereof, to consider and, if thought fit, approve the Offer, the reduction of the registered capital of the Company and relevant arrangements;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Independent Board Committee”	an independent committee of the Board, comprising all the non-executive Directors (except Mr. Wang Yumeng who is a deputy general manager of the CNBM Parent and Mr. Xiao Jiaxiang who is nominated by CNBM Parent), namely Mr. Shen Yungang and Mr. Chen Shaolong, and all the independent non-executive Directors, namely Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Li Jun and Ms. Xia Xue, who have no direct or indirect interest in the Offer and the Whitewash Waiver, which has been formed to advise the Independent Shareholders in respect of the Offer and the Whitewash Waiver;
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 regulated activity (advising on corporate finance) under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Offer and the Whitewash Waiver;
“Independent Shareholders”	Shareholders other than (i) the CNBM Parent Concert Group; (ii) Shareholders involved in or interested in the Whitewash Waiver and/or the Offer (other than as a Shareholder); and (iii) any person who may be required to abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM in accordance with the Codes;
“Last Trading Day”	6 December 2024, being the last trading day of the Shares on the Stock Exchange prior to the issue of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maximum Number”	the maximum number of H Shares to be bought-back pursuant to the Offer, being an aggregate of 841,749,304 H Shares, representing approximately 9.98% of the issued Shares and approximately 18.47% of the issued H Shares as at the date of this announcement;
“Morgan Stanley”	Morgan Stanley Asia Limited, the financial adviser to the Company, a company incorporated in Hong Kong with limited liability and licensed under the SFO to carry on 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;



“Offer”	a pre-conditional cash offer to be made by Morgan Stanley on behalf of the Company to buy-back H Shares at the Offer Price from all Shareholders, subject to the Maximum Number;
“Offer Document”	a circular to the Shareholders (comprising, amongst others, the offer document, the notice of the EGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting, the proxy form for voting at the EGM, the H Shareholders’ Class Meeting and the Domestic Shareholders’ Class Meeting and the Form of Acceptance) to be issued by the Company in connection with the Offer and the Whitewash Waiver;
“Offer Price”	HK\$4.03 per H Share;
“Overseas H Shareholder(s)”	H Shareholder(s), whose address(es), as shown in the register of members of the Company, is/are outside Hong Kong;
“PRC”	the People’s Republic of China;
“PRC GAAP”	the relevant accounting principles and financial regulations as promulgated in the PRC;
“Pre-Condition”	the pre-conditions to the making of the Offer, as set out under the section headed “Pre-Conditions to the Offer” in this announcement;
“Pre-Conditions Long Stop Date”	means 30 June 2025, or such later date as the Company and CNBM Parent may agree;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“SAFE”	the State Administration of Foreign Exchange of the PRC;
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares;
“Share Buy-backs Code”	the Hong Kong Code on Share Buy-backs;

“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Taishan Finance”	Taian Taishan Finance Investment Group Co., Ltd.* (泰安市泰山財金投資集團有限公司);
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“United States or U.S.”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of CNBM Parent to make a mandatory general offer for all the Shares not already owned by CNBM Parent and parties acting in concert with it under Rule 26.1 of the Takeovers Code, which may otherwise arise as a result of completion of the Offer; and
“%”	per cent.

By order of the Board  
**China National Building Material Company Limited\***  
**Pei Hongyan**  
*Secretary of the Board*

Beijing, the PRC  
6 December 2024

*As at the date of this announcement, the board of directors of the Company comprises Mr. Zhou Yuxian, Mr. Wei Rushan, Mr. Liu Yan and Mr. Wang Bing as executive directors, Mr. Wang Yumeng, Mr. Xiao Jiayang, Mr. Shen Yungang and Mr. Chen Shaolong as non-executive directors and Mr. Sun Yanjun, Mr. Liu Jianwen, Mr. Zhou Fangsheng, Mr. Li Jun and Ms. Xia Xue as independent non-executive directors*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

\* *For identification purposes only*