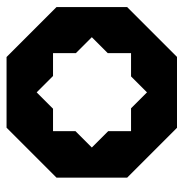


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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

(Stock Code: 3323)

**NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS
MASTER AGREEMENT ON SALE OF PRODUCTS
BETWEEN NORTH CEMENT AND JINGANG GROUP**

On 25 March 2013, North Cement, a 70% held subsidiary of the Company, entered into the Master Agreement on Sale of Products covering the period from 1 January 2013 to 31 December 2013 with Jingang Group, pursuant to which North Cement and its subsidiaries agreed to sell certain products to Jingang Group and its subsidiaries.

As Jingang Group holds a 20% voting equity interest in North Cement, and North Cement is a subsidiary of the Company, therefore it is a connected person of the Company pursuant to the Listing Rules. Given the transactions involving the sale of products sold by North Cement and its subsidiaries to Jingang Group and its subsidiaries are conducted on a continuing or recurring basis, the transactions therefore constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules. Based on the Proposed Annual Cap for the Non-exempt Continuing Connected Transactions for 2013, certain applicable percentage ratios under Listing Rule 14.07 exceed 1% but are all less than 5%. As a result, the Non-exempt Continuing Connected Transactions constitute continuing connected transactions that are exempt from independent shareholders' approval requirement under Listing Rule 14A.34, and are only subject to the reporting and announcement requirements under Listing Rules 14A.45 to 14A.47.

INTRODUCTION

On 25 March 2013, North Cement, a 70% held subsidiary of the Company, entered into the Master Agreement on Sale of Products covering the period from 1 January 2013 to 31 December 2013 with Jingang Group, pursuant to which North Cement and its subsidiaries agreed to sell certain products to Jingang Group and its subsidiaries.

PRINCIPAL TERMS OF THE MASTER AGREEMENT ON SALE OF PRODUCTS

Date:

25 March 2013

Parties:

North Cement
Jingang Group

Description of transaction:

The sale of certain products by North Cement and its subsidiaries to Jingang Group and its subsidiaries, including ultra-fine powder/slag, clinker and cement.

Term:

The term is from 1 January 2013 to 31 December 2013. Either party can deliver notice in writing to the other to terminate the Master Agreement on Sale of Products and/or any specific agreements entered into pursuant to the agreement no later than three months prior to the expiry of the Master Agreement on Sale of Products.

Basis of pricing:

The prices of the products under the agreement will be determined by Market Price.

Basis for determining the Proposed Annual Cap:

Details of the Proposed Annual Cap of the Non-exempt Continuing Connected Transactions are as follows:

North Cement and its subsidiaries to sell certain products to Jingang Group and its subsidiaries, including ultra-fine powder/slag, clinker and cement.

Historical transaction values (<i>RMB</i>)	The actual transaction values incurred for the years 2011 and 2012 were RMB205,558,074 and RMB393,780,914 respectively
--	--

Proposed Annual Cap (<i>RMB</i>)	Approximately RMB939,490,000 for the year 2013 ending 31 December 2013
------------------------------------	--

Basis for determining the Proposed Annual Cap (<i>RMB</i>)	The Proposed Annual Cap is determined based on: (i) the actual transaction values incurred for the years 2011 and 2012; and (ii) the market and business developments anticipated by North Cement, including the prevailing conditions of the building materials industry in the PRC, and the anticipated increase in North Cements production capacity and corresponding sales volume in the year 2013.
--	--

The Directors of the Company, including the independent non-executive Directors of the Company, believe that the terms of the aforesaid Master Agreement on Sale of Products are entered into on normal business terms after arm's length negotiation, fair and reasonable and in the interest of the Company and its shareholders as a whole.

REASONS FOR AND BENEFITS OF THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Board considers that the Non-exempt Continuing Connected Transactions are on normal commercial terms or on terms no less favourable than those available to independent third parties and entered into in the ordinary and usual course of business of the Company, fair and reasonable and in the interest of the Company and the shareholders as a whole. Given this and the fact that the purpose of the Non-exempt Continuing Connected Transactions is to satisfy the operational needs of the Group, the Directors of the Company consider that it is beneficial for the Company to carry out the Non-exempt Continuing Connected Transactions.

INFORMATION RELATING TO NORTH CEMENT

North Cement is primarily engaged in the production and sales of clinker, cement and cement products.

INFORMATION RELATING TO JINGANG GROUP

The principal business of the Jingang Group is the sales of clinker, cement and cement products, etc.

INFORMATION RELATING TO THE COMPANY

The Company is a leading enterprise in the building materials industry of the PRC and it is mainly engaged in cement, lightweight building materials, glass fibre, composite materials and engineering services businesses.

LISTING RULES IMPLICATIONS

As Jingang Group holds a 20% voting equity interest in North Cement, and North Cement is a subsidiary of the Company, therefore it is a connected person of the Company pursuant to the Listing Rules. Given the transactions involving the sale of products sold by North Cement and its subsidiaries transactions to Jingang Group and its subsidiaries are conducted on a continuing or recurring basis, the transactions therefore constitute continuing connected transactions of the Group under the Chapter 14A of the Listing Rules. The Company had relied on the insignificant subsidiary exemption set out in Rule 14A.31(9)(b) of the Listing Rules for the years 2010 and 2011 in respect of the above transactions. However based on the 2012 financial statements of the Company, the profit of North Cement accounted for more than 10% of the Company's profit. As such, it is no longer able to rely on the insignificant subsidiary exemption set out in Rule 14A.31(9)(b) of the Listing Rules. As a result, the continuing connected transactions therefore constitute non-exempt continuing connected transactions under the Listing Rules.

The historical transactions in the aforesaid two years indicate a stable business relationship between North Cement and Jingang Group. For the purpose of Rule 14A.35(1) of the Listing Rules, North Cement entered into the Master Agreement on Sale of Products.

Based on the Proposed Annual Cap for the Non-exempt Continuing Connected Transactions, certain applicable percentage ratios exceed 1% but are all less than 5%. Pursuant to Rule 14A.34 of the Listing Rules, the transactions are only subject to the reporting and announcement requirements under Listing Rules 14A.45 to 14A.47, and exempted from the independent shareholders' approval requirements under Listing Rule 14A.48.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Directors in the Board of the Company has any material interest in the Non-exempt Continuing Connected Transactions.

DEFINITIONS

“Board”	the board of the Company
“Company”	中國建材股份有限公司 (China National Building Material Company Limited*), a joint stock limited company incorporated under the laws of the PRC whose H shares are listed on The Stock Exchange of Hong Kong Limited
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Jingang Group”	遼源金剛水泥(集團)有限公司 (Liaoyuan Jingang Cement (Group) Company Limited*), a limited liability company incorporated under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Market Price”	the prices of similar products provided by independent third parties under normal commercial terms in the ordinary course of business in the same area, vicinity or in the PRC
“Master Agreement on Sale of Products”	North Cement entered into an agreement on sale of products with a term from 1 January 2013 to 31 December 2013 with Jingang Group on 25 March 2013, pursuant to which North Cement and its subsidiaries agreed to sell certain products to Jingang Group and its subsidiaries
“Non-exempt Continuing Connected Transactions”	the transactions constituted by those between the Group and the Jingang Group and its subsidiaries pursuant to the Master Agreement on Sale of Products for the year 2013 ending 31 December 2013

“North Cement”	北方水泥有限公司 (North Cement Company Limited*), a company incorporated under the laws of the PRC with limited liability
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“Products”	certain products sold by North Cement and its subsidiaries to Jingang Group and its subsidiaries, including ultra-fine powder/slag, clinker and cement
“Proposed Annual Cap”	the proposed annual cap of the Non-exempt Continuing Connected Transactions
“RMB”	Renminbi, the lawful currency of the PRC

By order of the Board
China National Building Material Company Limited
Chang Zhangli
Secretary of the Board

Beijing, the PRC, 25 March 2013

As at the date of this announcement, the board of directors of the Company comprises Mr. Song Zhiping, Mr. Cao Jianglin, Mr. Peng Shou, Mr. Cui Xingtai and Mr. Chang Zhangli, as executive directors, Mr. Guo Chaomin, Mr. Huang Anzhong and Ms. Cui Lijun, as non-executive directors, and Mr. Qiao Longde, Mr. Li Decheng, Mr. Ma Zhongzhi, Mr. Shin Fang and Mr. Wu Liansheng, as independent non-executive directors.

* *For identification only*