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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Group's unaudited revenue amounted to RMB121,870 million for the six months ended 30 June 2021, representing an increase of 14.1% as compared to the same period of 2020.

The unaudited profit attributable to owners of the Group was RMB7,959 million, representing an increase of 47.9% as compared to the same period of 2020.

Basic earnings per share was RMB0.944, representing an increase of 47.9% as compared to the same period of 2020. The Board does not recommend the payment of an interim dividend.

The Board of the Company announces the unaudited consolidated results of the Group for the six months ended 30 June 2021 and the Group's consolidated financial position as of 30 June 2021, together with its consolidated results for the six months ended 30 June 2020 and consolidated financial position as of 31 December 2020 for comparison.

The unaudited consolidated financial information of the Group for the six months ended 30 June 2021 has been reviewed by the independent auditor, the Board and the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(Expressed in Renminbi)

	Note	**Six months ended 30 June 2021 RMB'000 (unaudited)**	2020 *RMB'000* (restated) (unaudited)
Revenue	3	**121,870,394**	106,803,662
Cost of sales		**(91,519,567)**	(77,630,123)
Gross profit		**30,350,827**	29,173,539
Investment and other income, net	4	**1,624,320**	2,367,293
Selling and distribution costs		**(2,333,962)**	(2,051,708)
Administrative expenses		**(10,101,610)**	(11,505,488)
Finance costs, net	5	**(3,272,372)**	(3,818,715)
Share of profits of associates		**1,855,684**	1,274,622
Share of losses of joint ventures		**(392)**	(2,193)
Impairment loss under expected credit loss model, net of reversal		**(697,435)**	(1,994,867)
Profit before income tax	6	**17,425,060**	13,442,483
Income tax expense	7	**(4,205,930)**	(3,749,359)
Profit for the period		**13,219,130**	9,693,124
Profit attributable to:			
Owners of the Company		**7,958,795**	5,380,640
Holders of perpetual capital instruments		**404,964**	511,424
Non-controlling interests		**4,855,371**	3,801,060
		13,219,130	9,693,124
		RMB	*RMB*
Earnings per share – basic and diluted	9	**0.944**	0.638

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021
(Expressed in Renminbi)

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Profit for the period	**13,219,130**	9,693,124
Other comprehensive (expense)/income, net of tax:		
Items that will not be reclassified to profit or loss:		
Actuarial gain on defined benefit obligations	**1,095**	1,637
Changes in the fair value of equity instruments at fair value through other comprehensive income, net	**(152)**	(1,188)
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(59,457)**	52,798
Share of associates' other comprehensive income	**13,301**	49,308
Share of joint ventures' other comprehensive expense	**(70)**	(969)
Change in fair value on hedging instruments designated as cash flow hedges	**6,442**	–
Other comprehensive (expense)/income for the period, net of tax	**(38,841)**	101,586
Total comprehensive income for the period	**13,180,289**	9,794,710
Total comprehensive income attributable to:		
Owners of the Company	**7,944,470**	5,473,317
Holders of perpetual capital instruments	**404,964**	511,424
Non-controlling interests	**4,830,855**	3,809,969
Total comprehensive income for the period	**13,180,289**	9,794,710

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

(Expressed in Renminbi)

	Note	**30 June 2021** *RMB'000* **(unaudited)**	31 December 2020 *RMB'000* (restated) (unaudited)
Non-current assets			
Property, plant and equipment		**181,540,647**	172,384,689
Right-of-use assets		**30,005,425**	29,979,586
Investment properties		**820,818**	851,643
Goodwill		**35,257,128**	33,290,321
Intangible assets		**23,653,669**	19,074,130
Interests in associates		**21,195,563**	19,313,566
Interests in joint ventures		**115,256**	98,018
Financial assets at fair value through profit or loss		**2,315,619**	2,517,143
Financial assets at fair value through other comprehensive income		**7,375**	7,526
Deposits		**5,354,276**	4,075,507
Trade and other receivables	10	**11,552,668**	11,930,475
Deferred income tax assets		**6,212,537**	6,565,399
		318,030,981	300,088,003
Current assets			
Inventories		**24,434,775**	20,307,502
Trade and other receivables	10	**106,126,698**	93,103,925
Financial assets at fair value through profit or loss		**4,873,307**	6,166,752
Derivative financial instruments		**4,995**	16,148
Amounts due from related parties		**1,815,542**	1,844,800
Pledged bank deposits		**6,630,486**	4,995,816
Cash and cash equivalents		**26,964,230**	29,721,666
		170,850,033	156,156,609
Assets classified as held-for-sale		**69,941**	195,843
		170,919,974	156,352,452

	Note	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (restated) (unaudited)
Current liabilities			
Trade and other payables	11	**107,683,218**	98,102,046
Amounts due to related parties		**4,327,948**	4,748,403
Borrowings – amount due within one year		**94,507,062**	89,440,797
Lease liabilities		**507,267**	633,246
Derivative financial instruments		**13,161**	19,338
Employee benefits payable		**1,259**	1,564
Current income tax liabilities		**3,688,322**	4,774,046
Financial guarantee contracts		**–**	64,000
Dividends payable to non-controlling interests		**852,239**	313,879
		211,580,476	198,097,319
Net current liabilities		**(40,660,502)**	(41,744,867)
Total assets less current liabilities		**277,370,479**	258,343,136
Non-current liabilities			
Borrowings – amount due after one year		**92,336,439**	85,629,115
Deferred income		**2,204,167**	2,234,392
Lease liabilities		**2,588,469**	2,697,414
Employee benefits payable		**230,983**	240,878
Deferred income tax liabilities		**2,979,889**	2,333,848
		100,339,947	93,135,647
Net assets		**177,030,532**	165,207,489
Capital and reserves			
Share capital		**8,434,771**	8,434,771
Reserves		**86,127,380**	81,815,423
Equity attributable to:			
Owners of the Company		**94,562,151**	90,250,194
Holders of perpetual capital instruments		**19,806,286**	18,637,177
Non-controlling interests		**62,662,095**	56,320,118
Total equity		**177,030,532**	165,207,489

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021
(Expressed in Renminbi)

1 GENERAL INFORMATION

China National Building Material Company Limited (the "Company" or "CNBM") was established as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 28 March 2005. On 23 March 2006, the Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited.

The address of registered office and principal place of business of the Company is Tower 2 (Building B), Guohai Plaza, 17 Fuxing Road, Haidian District, Beijing, the PRC.

The Company's immediate and ultimate holding company is China National Building Material Group Co., Ltd. (the "Parent"), a state-owned enterprise established on 3 January 1984 under the laws of the PRC.

The Company is an investment holding company. The principal activities of its subsidiaries are mainly engaged in the cement, concrete, lightweight building materials, fiberglass and composite materials, and engineering services businesses. Hereinafter, the Company and its subsidiaries are collectively referred to as the "Group".

This condensed consolidated financial statements are presented in Renminbi ("RMB") which is the functional currency of the Company, unless otherwise stated.

The condensed consolidated financial statements have not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and in compliance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". These condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB").

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

Other than additional accounting policies resulting from application of amendments to IFRSs, as mentioned in Note 2(b), the accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in Group's annual financial statements for the year ended 31 December 2020.

(a) Business combination under common control

On 30 December 2020, Beijing New Building Material Public Limited Company entered into an equity transfer agreement to acquire 100% equity interests of China Building Material Suzhou Waterproof Research Institute ("Suzhou Institute") from China National Building Material Asset Management Corporation (a 100% indirect subsidiary of the Parent) at cash consideration of approximately RMB69,213,200 (the "Suzhou Institute Acquisition"). The Suzhou Institute Acquisition was completed during the period and thus Suzhou Institute has become a subsidiary of the Group.

As Suzhou Institute and the Company are controlled by the Parent, the Suzhou Institute Acquisition has been accounted for based on the principles of merger accounting.

On 15 December 2020, Xingtai China United Cement Company Limited ("Xingtai United") (an indirect subsidiary of the Company) entered into an equity transfer agreement to acquire 98.545% equity interest of Xingtai Xinlei Building Material Company Limited ("Xingtai Xinlei") from China National Building Material Assets Management Corporation ("CNBM Assets Management") (a 100% direct subsidiary of the Parent) at cash consideration of RMB1, (the "Xinlei Acquisition"). The Xinlei Acquisition was completed in December 2020 and thus Xingtai Xinlei has become a subsidiary of the Group.

As Xingtai Xinlei and the Company are controlled by the Parent, the Xintai Xinlei Acquisition has been accounted for based on the principles of merger accounting.

The condensed consolidated financial statements of the Group have been prepared using the merger basis of accounting as if the current group structure has been in existence throughout the periods presented. The condensed consolidated financial statements for the six months ended 30 June 2020 has been restated as a result of adoption of merger accounting for the above business combinations under common control.

(b) Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time which are mandatory effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Covid-19 - Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 14 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

As at 1 January 2021 and 30 June 2021, the Group had several borrowings, the interest of which are indexed to benchmark rates that are subjected to interest rate benchmark reform.

The amendments have had no impact on the condensed consolidated financial statements as none of these contracts has been transitioned to the relevant replacement rates during the interim period. The impacts on application of the amendments, if any, including additional disclosures, will be reflected in the Group's consolidated financial statements for the year ending 31 December 2021.

(c) Comparatives

In order to better reflect the operation results and allow a more informative presentation of the Group's results to the users of condensed consolidated financial statements, management of the Group has reconsidered the presentation in the condensed consolidated statement of profit or loss. Certain expenses that relate to satisfying performance obligations in contracts with customers have been reclassified as cost of sales. Accordingly, the relevant comparative amount of RMB3,434.13 million for the period ended 30 June 2020 included in selling and distribution costs has been reclassified to cost of sales in order to conform with current period's presentation. In addition, as stated in Note 2(a), comparative figures have also been restated to reflect the effect of business combination under common control.

3 SEGMENT INFORMATION

For management purposes, the Group is currently organised into five major operating divisions during the period – cement, concrete, new materials, engineering services and others. These activities are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Cement	–	Production and sale of cement
Concrete	–	Production and sale of concrete
New materials	–	Production and sale of fiberglass, composite and light building materials
Engineering services	–	Provision of engineering services to glass and cement manufacturers and equipment procurement
Others	–	Merchandise trading business and others

More than 90% of the Group's operations and assets are located in the PRC for the six months ended 30 June 2021 and year ended 31 December 2020.

(a) For the six months ended 30 June 2021:

The segment results for the six months ended 30 June 2021 are as follows:

	Cement *RMB'000*	Concrete *RMB'000*	New materials *RMB'000*	Engineering services *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Revenue							
External sales							
At a point of time	58,462,937	23,486,813	21,440,577	1,745,939	1,543,854	–	106,680,120
Over time	–	–	–	15,190,274	–	–	15,190,274
	58,462,937	23,486,813	21,440,577	16,936,213	1,543,854	–	121,870,394
Inter-segment sales *(Note)*	1,335,232	36,134	203,089	3,740,594	1,862,232	(7,177,281)	–
	59,798,169	23,522,947	21,643,666	20,676,807	3,406,086	(7,177,281)	121,870,394
Adjusted EBITDA (unaudited)	19,494,591	2,142,306	5,630,237	402,746	(2,005,068)	–	25,664,812
Depreciation and amortisation	(4,961,957)	(344,616)	(1,199,161)	(276,855)	(55,650)	–	(6,838,239)
Unallocated other income, net							28,074
Unallocated administrative expenses							(12,507)
Share of profits/(losses) of associates	695,974	(5,651)	48,321	6,882	1,110,158	–	1,855,684
Share of losses of joint ventures	(345)	–	(47)	–	–	–	(392)
Finance costs, net	(2,207,841)	(514,858)	(234,106)	(170,164)	(138,699)	–	(3,265,668)
Unallocated finance costs, net							(6,704)
Profit before income tax							17,425,060
Income tax expense							(4,205,930)
Profit for the period (unaudited)							13,219,130

Note: The inter-segment sales were carried out with reference to market prices.

The segment results are disclosed as EBITDA, i.e. the profit earned by each segment without allocation of depreciation and amortisation, net other income, central administration costs, net finance costs, share of profits/(losses) of associates, share of losses of joint ventures and income tax expense. This is the measure reported to the management for the purpose of resource allocation and assessment of segment performance. Management views the combination of these measures, in combination with other reported measures, as providing a better understanding for management and investors of the operating results of its business segments for the period under evaluation compared to relying on one of the measures.

(b) As at 30 June 2021:

The segment assets and liabilities as at 30 June 2021 are as follows:

	Cement *RMB'000*	Concrete *RMB'000*	New materials *RMB'000*	Engineering services *RMB'000*	Others *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Assets							
Segment assets	240,589,056	53,721,448	64,126,311	59,450,041	6,261,365	-	424,148,221
Interests in associates	11,099,278	50,218	6,641,364	339,490	3,065,213	-	21,195,563
Interests in joint ventures	10,166	-	105,090	-	-	-	115,256
Unallocated assets							43,491,915
Total consolidated assets (unaudited)							488,950,955
Liabilities							
Segment liabilities	130,631,316	17,438,444	31,684,909	48,453,736	6,648,808	-	234,857,213
Unallocated liabilities							77,063,210
Total consolidated liabilities (unaudited)							311,920,423

Segment assets include all tangible assets, intangible assets and current assets with the exception of other corporate assets. Segment liabilities include trade and other payables, borrowings, lease liabilities and bills payable attributable to sales activities of each segment with the exception of corporate expense payables.

(c) For the six months ended 30 June 2020:

The segment results for the six months ended 30 June 2020 are as follows:

	Cement *RMB'000* (restated)	Concrete *RMB'000* (restated)	New materials *RMB'000* (restated)	Engineering services *RMB'000* (restated)	Others *RMB'000* (restated)	Eliminations *RMB'000* (restated)	Total *RMB'000* (restated)
Revenue							
External sales							
At a point of time	53,876,551	21,505,465	16,615,300	4,067,282	613,877	–	96,678,475
Over time	–	–	–	10,125,187	–	–	10,125,187
	53,876,551	21,505,465	16,615,300	14,192,469	613,877	–	106,803,662
Inter-segment sales *(Note)*	4,090,345	121,316	342,736	1,537,919	596,499	(6,688,815)	–
	57,966,896	21,626,781	16,958,036	15,730,388	1,210,376	(6,688,815)	106,803,662
Adjusted EBITDA (unaudited)	17,418,659	1,802,064	3,398,244	1,000,939	(950,465)	–	22,669,441
Depreciation and amortisation	(4,910,133)	(367,500)	(1,083,157)	(264,986)	(79,434)	–	(6,705,210)
Unallocated other income, net							41,144
Unallocated administrative expenses							(16,606)
Share of profits/(losses) of associates	730,245	(8,873)	16,450	5,451	531,349	–	1,274,622
Share of losses of joint ventures	(551)	–	(1,642)	–	–	–	(2,193)
Finance costs, net	(2,528,395)	(557,430)	(294,212)	(171,979)	(179,487)	–	(3,731,503)
Unallocated finance costs, net							(87,212)
Profit before income tax							13,442,483
Income tax expense							(3,749,359)
Profit for the period (unaudited)							9,693,124

Note: The inter-segment sales were carried out with reference to market prices.

The segment results are disclosed as EBITDA, i.e. the profit earned by each segment without allocation of depreciation and amortisation, net other income, central administration costs, net finance costs, share of profits of associates, share of profits/(losses) of joint ventures and income tax expense. This is the measure reported to the management for the purpose of resource allocation and assessment of segment performance. Management views the combination of these measures, in combination with other reported measures, as providing a better understanding for management and investors of the operating results of its business segments for the period under evaluation compared to relying on one of the measures.

(d) As at 31 December 2020:

The segment assets and liabilities as at 31 December 2020 are as follows:

	Cement	Concrete	New materials	Engineering services	Others	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
Assets							
Segment assets	219,562,303	47,061,694	58,706,449	58,288,394	5,464,043	–	389,082,883
Interests in associates	9,995,580	40,541	6,116,844	342,910	2,817,691	–	19,313,566
Interests in joint ventures	10,511	–	87,507	–	–	–	98,018
Unallocated assets							47,945,988
Total consolidated assets (unaudited)							456,440,455
Liabilities							
Segment liabilities	116,869,910	16,239,371	28,122,309	47,303,805	6,265,317	–	214,800,712
Unallocated liabilities							76,432,254
Total consolidated liabilities (unaudited)							291,232,966

(e) A reconciliation of total adjusted profit before finance costs, income tax expense, depreciation and amortisation, is provided as follows:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Adjusted EBITDA for reportable segments	**27,669,880**	23,619,906
Adjusted EBITDA for other segments	**(2,005,068)**	(950,465)
Total segments profit	**25,664,812**	22,669,441
Depreciation of property, plant and equipment	**(4,914,562)**	(4,821,893)
Depreciation of right-of-use assets	**(1,210,816)**	(1,227,060)
Amortisation of intangible assets	**(712,861)**	(656,257)
Corporate items	**15,567**	24,538
Operating profit	**18,842,140**	15,988,769
Finance costs, net	**(3,272,372)**	(3,818,715)
Share of profits of associates	**1,855,684**	1,274,622
Share of losses of joint ventures	**(392)**	(2,193)
Profit before income tax	**17,425,060**	13,442,483

4 INVESTMENT AND OTHER INCOME, NET

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Decrease in fair value of financial assets at fair value through profit or loss, net	**(535,773)**	(557,992)
Decrease in fair value of derivative financial instruments, net	**(11,942)**	(2,588)
Discount on acquisition of interests in subsidiaries	**12,943**	802
Government subsidies:		
– VAT refunds *(Note (a))*	**620,427**	546,597
– Government grants *(Note (b))*	**543,630**	606,501
– Interest subsidy	**4,775**	133
Net rental income	**112,695**	125,330
Gain on disposal of property, plant and equipment:		
– Gain on disposal of property	**43,192**	582,855
– Others	**221,175**	605,862
Gain on disposal of intangible assets	**132,786**	–
Gain/(loss) on disposal of other investments	**19,988**	(11,519)
Gain on disposal of subsidiaries, net	**3,220**	64,810
(Loss)/gain on disposal of associates	**(2,253)**	9,389
Technical and other service income	**181,913**	155,184
Claims received	**78,154**	82,801
Waiver of payables	**24,769**	63,471
Others	**174,621**	95,657
	1,624,320	2,367,293

Notes:

(a) The State Council of the PRC issued a "Notice Encouraging Comprehensive Utilisation of Natural Resources" (the "Notice") in 1996 to encourage and support enterprises, through incentive policies, to comprehensively utilise natural resources. Pursuant to the Notice, the Ministry of Finance and the State Administration of Taxation of the PRC enacted several regulations providing incentives in form of VAT refund for certain environmentally friendly products, including products that utilise industrial waste as part of their raw materials. Under the Notice and such regulations, the Group is entitled to receive immediate or future refund on any paid VAT with respect to any eligible products as income after it receives approvals from the relevant government authorities.

(b) Government grants are awarded to the Group by the local government agencies as incentives primarily to encourage the development of the Group and the contribution to the local economic development.

5 FINANCE COSTS, NET

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Interest expenses on bank borrowings:		
– wholly repayable within five years	**2,352,591**	2,616,654
– not wholly repayable within five years	**–**	92
	2,352,591	2,616,746
Interest expenses on lease liabilities	**93,204**	94,055
Interest expenses on bonds and other borrowings	**1,359,384**	1,658,187
Less: interest capitalised to construction in progress	**(137,256)**	(108,165)
	3,667,923	4,260,823
Interest income:		
– interest on bank deposits	**(201,465)**	(244,530)
– interest on loan receivables	**(194,086)**	(197,578)
	(395,551)	(442,108)
Finance costs, net	**3,272,372**	3,818,715

6 PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Depreciation of:		
Property, plant and equipment	**4,940,562**	4,847,718
Investment properties	**12,513**	16,609
Right-of-use assets	**1,210,816**	1,227,060
	6,163,891	6,091,387
Amortisation of intangible assets	**713,136**	656,555
Total depreciation and amortisation	**6,877,027**	6,747,942
Impairment loss on goodwill	**27,884**	1,189,382
Impairment loss on property, plant and equipment	**255,332**	1,210,915
Impairment loss on intangible assets	**1,776**	–
Impairment loss on right-of-use assets	**–**	8,058
Cost of inventories recognised as expenses	**88,098,277**	70,020,446
Staff costs	**10,359,972**	8,953,583
Gain on disposal of property, plant and equipment, investment properties and intangible assets, net	**(397,156)**	(1,132,097)
Net foreign exchange losses/(gain)	**204,676**	(46,518)

7 INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Current income tax	**3,899,550**	4,315,237
Deferred income tax	**306,380**	(565,878)
	4,205,930	3,749,359

PRC income tax is calculated at 25% (2020: 25%) of the estimated assessable profit of the Group as determined in accordance with relevant tax rules and regulations in the PRC, except for certain subsidiaries of the Company, which are exempted or taxed at preferential rate of 15% (2020: 15%) entitled by the subsidiaries in accordance with relevant tax rules and regulations in the PRC or approvals obtained by the tax bureaus in the PRC.

Taxation on profits outside the PRC has been calculated on the estimated assessable profits for the six months ended 30 June 2021 and 2020 at the rates of taxation prevailing in the countries in which the Group operates.

8 DIVIDENDS

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Dividends	**3,964,342**	2,952,170

During the period, dividend amounting to approximately RMB3,964.34 million (six months ended 30 June 2020: approximately RMB2,952.17 million) was announced as the final dividend for the immediate preceding financial year.

The Board do not recommend the payment of an interim dividend for the six months ended 30 June 2021 (Interim dividend for the six months ended 30 June 2020: RMBnil).

9 EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Profit attributable to owners of the Company	**7,958,795**	5,380,640

	Six months ended 30 June	
	2021	2020
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of ordinary shares in issue	**8,434,771**	8,434,771

No diluted earnings per share have been presented as the Group did not have any dilutive potential ordinary shares outstanding during both periods.

10 TRADE AND OTHER RECEIVABLES

	30 June	31 December
	2021	2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Trade receivables, net of allowance for credit losses	**57,517,219**	48,808,889
Bills receivable	**19,335,721**	20,812,376
Contract assets	**14,735,009**	11,507,527
Other receivables, deposits and prepayments	**26,091,417**	23,905,608
	117,679,366	105,034,400

The Group normally allowed an average of credit periods of 60 to 180 days to its trade customers except for customers of engineering services segment, for which the credit periods are normally ranging from 1 to 2 years. The Ageing analysis of trade receivables net of allowance for credit losses presented based on the invoice date is as follows:

	30 June 2021	31 December 2020
	RMB'000	*RMB'000*
		(restated)
	(unaudited)	(unaudited)
Within two months	**13,921,727**	10,396,607
More than two months but within one year	**27,805,771**	25,659,332
Between one and two years	**11,735,369**	8,709,249
Between two and three years	**2,500,118**	2,534,121
Over three years	**1,554,234**	1,509,580
	57,517,219	48,808,889

The carrying amounts of trade and other receivables approximate to their fair values. Bills receivable is aged within six months.

As at 30 June 2021, approximately RMB101.36 million (31 December 2020: approximately RMB61.13 million) of the trade receivables and approximately RMB1,263.89 million (31 December 2020: approximately RMB1,263.18 million) of bills receivable are pledged to secure bank loans granted to the Group.

Analysed for reporting purposes:

	30 June 2021 *RMB'000* (unaudited)	31 December 2020 *RMB'000* (restated) (unaudited)
Non-current portion	**11,552,668**	11,930,475
Current portion	**106,126,698**	93,103,925
	117,679,366	105,034,400

11 TRADE AND OTHER PAYABLES

The ageing analysis of trade and other payables, based on invoice date, is as follows:

	30 June 2021 *RMB'000* (unaudited)	31 December 2020 *RMB'000* (restated) (unaudited)
Within two months	**9,949,855**	9,541,827
More than two months but within one year	**29,656,445**	24,477,477
Between one and two years	**3,893,003**	4,165,161
Between two and three years	**1,273,928**	1,276,167
Over three years	**2,429,304**	2,202,115
Trade payables	**47,202,535**	41,662,747
Bills payable	**20,795,646**	16,071,950
Contract liabilities	**14,366,011**	15,277,195
Other payables	**25,319,026**	25,090,154
	107,683,218	98,102,046

The carrying amounts of trade and other payables approximate to their fair values. Bills payable is aged within six months.

BUSINESS REVIEW AND PROSPECTS

The major operating data of each segment of the Group for the six months ended 30 June 2021 and 30 June 2020 are set out below:

CEMENT SEGMENT

China United Cement

	For the six months ended 30 June	
	2021	2020
Production volume – cement *(in thousand tonnes)*	**32,381**	27,461
Production volume – clinker *(in thousand tonnes)*	**24,461**	24,398
Sales volume – cement *(in thousand tonnes)*	**28,422**	24,558
Sales volume – clinker *(in thousand tonnes)*	**4,129**	5,571
Average selling price – cement *(RMB per tonne)*	**346.2**	354.6
Average selling price – clinker *(RMB per tonne)*	**285.9**	277.8
Sales volume – commercial concrete *(in thousand m^3)*	**22,846**	18,901
Average selling price – commercial concrete *(RMB per m^3)*	**444.6**	474.5

South Cement

	For the six months ended 30 June	
	2021	2020
Production volume – cement *(in thousand tonnes)*	**49,783**	42,916
Production volume – clinker *(in thousand tonnes)*	**44,306**	38,424
Sales volume – cement *(in thousand tonnes)*	**48,287**	41,258
Sales volume – clinker *(in thousand tonnes)*	**8,469**	7,383
Average selling price – cement *(RMB per tonne)*	**353.8**	353.0
Average selling price – clinker *(RMB per tonne)*	**334.3**	335.7
Sales volume – commercial concrete *(in thousand m^3)*	**24,127**	22,919
Average selling price – commercial concrete *(RMB per m^3)*	**481.3**	490.7

North Cement

	For the six months ended 30 June	
	2021	2020
Production volume – cement *(in thousand tonnes)*	**5,690**	6,454
Production volume – clinker *(in thousand tonnes)*	**4,938**	5,078
Sales volume – cement *(in thousand tonnes)*	**5,567**	6,313
Sales volume – clinker *(in thousand tonnes)*	**1,106**	937
Average selling price – cement *(RMB per tonne)*	**336.1**	260.5
Average selling price – clinker *(RMB per tonne)*	**296.5**	237.4
Sales volume – commercial concrete *(in thousand m^3)*	**1,346**	1,240
Average selling price – commercial concrete *(RMB per m^3)*	**377.9**	338.8

Southwest Cement

	For the six months ended 30 June	
	2021	2020
Production volume – cement *(in thousand tonnes)*	**39,930**	39,250
Production volume – clinker *(in thousand tonnes)*	**33,446**	33,182
Sales volume – cement *(in thousand tonnes)*	**39,633**	39,088
Sales volume – clinker *(in thousand tonnes)*	**2,646**	2,488
Average selling price – cement *(RMB per tonne)*	**281.6**	297.0
Average selling price – clinker *(RMB per tonne)*	**234.4**	246.7
Sales volume – commercial concrete *(in thousand m^3)*	**502**	348
Average selling price – commercial concrete *(RMB per m^3)*	**258.3**	316.5

Sinoma Cement

	For the six months ended 30 June	
	2021	2020
Production volume – cement *(in thousand tonnes)*	**10,064**	9,347
Production volume – clinker *(in thousand tonnes)*	**10,356**	8,581
Sales volume – cement *(in thousand tonnes)*	**9,879**	9,222
Sales volume – clinker *(in thousand tonnes)*	**2,089**	985
Average selling price – cement *(RMB per tonne)*	**357.7**	379.9
Average selling price – clinker *(RMB per tonne)*	**319.9**	324.5
Sales volume – commercial concrete *(in thousand m^3)*	**317**	260
Average selling price – commercial concrete *(RMB per m^3)*	**451.5**	474.9

Tianshan Cement

	For the six months ended 30 June	
	2021	2020
Production volume – cement *(in thousand tonnes)*	**8,033**	7,369
Production volume – clinker *(in thousand tonnes)*	**8,378**	7,656
Sales volume – cement *(in thousand tonnes)*	**7,902**	7,228
Sales volume – clinker *(in thousand tonnes)*	**1,919**	1,662
Average selling price – cement *(RMB per tonne)*	**389.6**	390.2
Average selling price – clinker *(RMB per tonne)*	**289.5**	261.9
Sales volume – commercial concrete *(in thousand m^3)*	**1,106**	656
Average selling price – commercial concrete *(RMB per m^3)*	**368.7**	379.9

Ningxia Building Materials

	For the six months ended 30 June	
	2021	2020
Production volume – cement *(in thousand tonnes)*	**6,603**	6,246
Production volume – clinker *(in thousand tonnes)*	**5,558**	5,249
Sales volume – cement *(in thousand tonnes)*	**6,120**	5,978
Sales volume – clinker *(in thousand tonnes)*	**522**	1,316
Average selling price – cement *(RMB per tonne)*	**259.4**	264.3
Average selling price – clinker *(RMB per tonne)*	**204.7**	173.2
Sales volume – commercial concrete *(in thousand m^3)*	**874**	716
Average selling price – commercial concrete *(RMB per m^3)*	**326.2**	320.8

Qilianshan

	For the six months ended 30 June	
	2021	2020
Production volume – cement *(in thousand tonnes)*	**9,938**	9,967
Production volume – clinker *(in thousand tonnes)*	**8,115**	7,537
Sales volume – cement *(in thousand tonnes)*	**9,909**	10,107
Sales volume – clinker *(in thousand tonnes)*	**238**	208
Average selling price – cement *(RMB per tonne)*	**291.9**	298.5
Average selling price – clinker *(RMB per tonne)*	**216.3**	231.1
Sales volume – commercial concrete *(in thousand m^3)*	**727**	677
Average selling price – commercial concrete *(RMB per m^3)*	**384.2**	390.8

NEW MATERIALS SEGMENT

BNBM

	For the six months ended 30 June	
	2021	2020
Gypsum board – BNBM		
Production volume *(in million m^2)*	**218.1**	163.5
Sales volume *(in million m^2)*	**218.0**	159.3
Average selling price *(RMB per m^2)*	**7.68**	7.24
Gypsum board – Taishan Gypsum		
Production volume *(in million m^2)*	**874.9**	640.5
Sales volume *(in million m^2)*	**901.8**	631.5
Average selling price *(RMB per m^2)*	**5.00**	4.87

China Jushi

	For the six months ended 30 June	
	2021	2020
Glass fiber yarn		
Production volume *(in thousand tonnes)*	**1,094**	876
Sales volume *(in thousand tonnes)*	**1,046**	870
Average selling price *(RMB per tonne)*	**5,572**	4,229

Sinoma Science & Technology

	For the six months ended 30 June	
	2021	2020
Glass fiber yarn		
Production volume *(in thousand tonnes)*	**413**	381
Sales volume *(in thousand tonnes)*	**405**	360
Average selling price *(RMB per tonne)*	**6,613**	5,228
Wind power blade		
Production volume *(MW)*	**5,355**	4,488
Sales volume *(MW)*	**4,554**	4,588
Average selling price *(RMB per MW)*	**666,883**	710,124

China Composites

	For the six months ended 30 June	
	2021	2020
Wind power blade		
Production volume *(MW)*	**2,262**	2,080
Sales volume *(MW)*	**2,037**	1,851
Average selling price *(RMB per MW)*	**768,100**	801,264

OVERVIEW OF THE FIRST HALF OF THE YEAR

INDUSTRY DEVELOPMENT SUMMARY AND BUSINESS REVIEW

In the first half of 2021, China's achievements in pandemic prevention and control and economic and social development continued to expand and consolidate, with major macroeconomic indicators being within a reasonable range and economic development showing a trend of steady consolidation and improvement. China's GDP in the first half of 2021 increased by 12.7% year on year, with an average growth rate of 5.3% for the past two years; fixed asset investments increased by 12.6% year on year, with an average growth rate of 4.4% for the past two years; infrastructure investments increased by 7.8% year on year, with an average growth rate of 2.4% for the past two years; the property development investments increased by 15.0% year on year, with an average growth rate of 8.2% for the past two years. The building materials industry experienced stable production, with improvement in efficiency.

In the first half of 2021, the Group actively responded to various risks and challenges, solidly and effectively promoted various work, and presented the characteristics of "precision, practicality, detail and innovation". In terms of operation, the Group continued to promote the "management of three delicacies" to safeguard the ecological health of the industry, comprehensively improve the operation quality, and accelerate the digital transformation while adhering to simplicity and streamlining. In terms of reform, the Group implemented the three year action plan for state-owned enterprise reform, made every effort to break through the key tasks of reform and improve the market-oriented operating mechanism. The Group also optimized the layout of state-owned capital, advanced the business integration in an orderly manner, successfully completed the full circulation of Shares and accelerated the preparation for the listing of technologically-reformed enterprises on the Sci-Tech Board. In terms of innovation, the Group strengthened the innovation-driven strategy with new achievements in science and technology work, and accelerated the industrialization of achievements; deepened green development, carried out carbon management, strengthened energy conservation and emission reduction; and improved the industrial structure, with accelerated transformation and upgrade of cement business, rapid development of new materials, consolidated and improved engineering and technical services. In terms of Party building, the Group solidly promoted the study and education of the Party history, continued the deep integration of Party building with operations, and transformed party-building advantages into governance effectiveness.

In the first half of the year, compared with the same period of last year, the sales volume of cement and clinker of the Group increased by 7.6% year on year to 177 million tonnes, the sales volume of commercial concrete increased by 13.4% year on year to 52 million cubic metres, the sales volume of aggregate increased by 30.0% year on year to 43 million tonnes, the sales volume of gypsum board increased by 40.5% year on year to 1,159 million square metres, the sales volume of glass fiber yarn increased by 18.0% year on year to 1.45 million tonnes and the sales volume of wind power blade increased by 2.4% year on year to 6,591 MW. The revenue from engineering services of the Group amounted to RMB20,677 million, representing a 31.4% increase year on year. The revenue of the Group amounted to RMB121,870 million, representing a 14.1% increase year on year. Profit attributable to equity holders of the Company amounted to RMB7,959 million, representing a 47.9% increase year on year.

Cement Segment

Review of the cement industry in the PRC in the first half of 2021

In the first half of 2021, the national cement market showed the characteristics of high price level fluctuation adjustment. From January to April, fiscal policies continued to boost demand. The continuous heavy rainfall and increasing bulk commodity prices in May slowed the progress of some projects. In the first half of the year, China still achieved a cement output of 1.147 billion tonnes, representing an increase of 14.1% year on year, with an average growth rate of approximately 4.2% for the past two years. In terms of supply, the cement industry has effectively implemented peak shifting production, self-discipline among industry players, shut down of outdated production facilities, promoted regional integration and optimization, maintained the ecological health of the industry, actively responded to market fluctuations, curbed the impact of the sharp rise in coal price, and maintained stable benefits.

Guided by the dual-carbon objectives, the cement industry has furthered the promotion of the supply-side structural reform. The MIIT amended the Measures on Capacity Replacement in the Cement and Glass Industry to clarify measures such as increasing the proportion of capacity replacement, identifying strict index and linking with peak shifting production, which was officially implemented on 1 August 2021. MEE reported the problems of poor control of cement projects in Guangxi, continuous expansion of production capacity and cross provincial production capacity replacement in Hunan through environmental protection supervision. The Shandong Provincial Department of Ecology and Environment took the lead to put forward a timetable for integrated withdrawal from the small-scale cement clinker production line, which strongly promoted the substantive pace to eliminate excessive capacity.

Review of the cement segment business of the Group in the first half of 2021

For the cement segment, the Group has promoted the supply-side structural reform, deeply practiced the business philosophy of "PCP", co-built the ecology of the industry, and preserved a healthy ecosystem of the industry, strictly practiced peak shifting production and reduction replacement, shut down of outdated production facilities. The Group comprehensively promoted the "Cement+" strategy, steadily promoted the optimization and upgrade projects, accelerated the commercial concrete and aggregates business layout, and continuously optimized the mine resources reserves, promoting integration and optimization. The business integration of the cement sector has made substantial progress to form a benign interaction of business synergy, mutual promotion and resource sharing; promoted the green development, reduced carbon emission, implemented the dual-carbon goal and accelerated the green transformation.

China United Cement

China United Cement has accelerated the supply-side structural reform, implemented peak shifting production to continuously strengthen the construction of industry health mechanism and maintain the ecological health of the industry; utilised the advantages of the industrial chain through the integrated operation of clinker, cement, commercial concrete and aggregates in order to enhance customer loyalty and stabilize market share; and steadily promoted and expanded strategic cooperation with large enterprise groups to further expand the market share of key projects.

Multiple measures were taken to reduce cost, improve production and operation efficiency and the effective utilization rate of rotary kilns. China United Cement further promoted centralized procurement and continuously increased the procurement of direct coal supply; enhanced financial synergy and reduced financial expenses; promoted the integration of traditional industries and Internet marketing; and strengthened the information construction with an online operation of commercial concrete EBC system to achieve commercial concrete companies' procurement, production, sales and other aspects of automatic control.

China United Cement reorganized Henan Tongli Cement, tamped and improved the construction of core profit zone, and created a new ecology of Henan cement industry. Adhering to the business development idea of "developing cement, optimizing commercial concrete, expanding aggregates and practicing comprehensive utilization", China United Cement continued to promote the "Cement+" strategy, and steadily promoted the advantages of layout and structural adjustment, while advancing the concept of green development, strengthening carbon asset development and management cooperation and reducing gas emissions.

South Cement

South Cement continued to promote the supply-side structural reform and organized peak shifting production, the management and control of clinker resources and north-south market docking. Combined with the dynamics of market supply and demand, South Cement actively balanced the market, stabilized the market share, strengthened market construction and channel construction, stabilized the large terminals and basic market shares, and expanded the sales volume of key projects.

South Cement strengthened the strategic procurement and centralized bidding and purchasing management while focusing on the procurement management of direct coal supply and increasing the amount of strategic contracts; and implemented hierarchical management of centralized procurement, carried out internal allocation and collaborative procurement of limestone, sand shale and other resources for better strategic cooperation with steel mills, power plants and chemical enterprises. South Cement further promoted the pilot of lean production and total productive maintenance for the construction of clean factories, green factories and beautiful factories, with a continuously reduction in product energy consumption and improvement in on-site management and production efficiency. The commercial concrete business was improved by the construction of operation management system.

South Cement orderly promoted the construction of cement optimization and upgrade projects, continuously optimized the layout of commercial concrete, and accelerated the planning and construction of aggregate production base and supporting terminals; and sped up the pilot of intelligence and production informatization with a focus on the pilot of intelligent factories, such as Huaikan South, and built the first demonstration zone of 5G intelligent mine in Hunan Province.

North Cement

North Cement firmly implemented the policy of "normal off-peak suspension" in the off-season, actively organized orderly shipping sales, and effectively alleviated the excess pressure; promoted equity cooperation in Liaoning and maintain the industry ecology; and unified the control of bidding for large projects to stabilize market share.

North Cement strengthened benchmarking management, basic management and material procurement management to reduce cost and increase efficiency as well as to improve enterprise management level; and comprehensively promoted the construction of green mines, expanded mine reserves, and orderly practiced the comprehensive utilization of stripped materials.

Southwest Cement

Southwest Cement continued to promote the supply-side structural reform, orderly advanced peak shifting production with reasonable control in production capacity, and balanced development along the market recovery to ensure the ecological stability of the industry. Southwest Cement also focused on key projects to optimize marketing channels and stabilize the regional market.

Southwest Cement continued to advance lean production, adjusted the production plan in a flexible manner, optimized overhaul programmes and performed technical innovation, as well as continued to improve the production operation capacity, market supply capacity, and on-site management level for reduction of energy consumption. It also strengthened the ability of material supply with full implement of digital management and control mode for effective standardization of the material procurement process; and adhered to the market-oriented employment mechanism with streamline of the structure, optimization of posts, strict control in the number of employees. Enterprises implemented customized (「分企施策」) policies to improve the labor productivity of all employees.

Southwest Cement accelerated the optimization and upgrading of the whole industrial chain. Green intelligent cement production line project has been put into operation and the production and operation of "Cement+" project was gradually in place. Jiahua Research Institute was optimized to deepen the combination of production and research. The enhanced special cement innovation helped to boost high-end development, while low heat cement helped Baihetan Hydropower Station to build a "seamless dam", so as to stabilize the leading role of hydraulic and oil well cement industry.

Sinoma Cement

Sinoma Cement closely followed the changes in regional markets, made every effort to stabilize the price, expand the volume and maintain the share. Zambia Industrial Park reinforced the "2+3" marketing strategy and steadily improved its market share and profitability.

According to the deployment of "benchmarking leading management enhancement", Sinoma Cement devoted to quality and effectiveness of dedicate management, and continuously optimized the accurate benchmarking system of all elements. The fine technical management was improved to promote energy conservation and consumption reduction, while centralized fund control helped to boost quality and efficiency, and centralized logistics procurement to reduce cost and expenditure. The construction of financial integration platform for bidding and procurement improved the level of intensive, standardized and information-based procurement.

The "Cement +" helped optimization and upgrading, the construction of prefabricated construction components project and sludge disposal project in an orderly manner, while site selection measurement, market research and other preliminary work were carried out for the hazardous waste project. Sinoma Cement focused on the research in carbon capturing technology with TCDRI to promote the construction of CO2 self-enrichment centralized pilot system of Sinoma Luoding sintering system and the development and application of full-capture of pure process design scheme.

Tianshan Cement

Tianshan Cement resolutely implemented peak shifting production and the business philosophy of "PCP" and maintained the ecological order of the industry; increased market research and analysis, adjusted the sales strategy in time according to market changes, and combined with the stage characteristics of different regions to implement marketing strategies to ensure optimal matching of volume and price.

Tianshan Cement focused on benchmarking leading management enhancement and implemented refined management to all aspects of production, operation, management and development; built a "business division + manufacturing plant" organizational management structure, compressed the management level, and realized organizational refinement; and continuously built a cost-leading production system, and gave full play of the advantages of scale and professionalism to control costs.

The reorganization and integration of the cement business sector have made substantial progress. Tianshan Cement continued to promote the business development of "Cement+" and industrial optimization and upgrade, and the pilot project of intelligent transformation was carried out steadily. Practicing the concept of green and low-carbon development and actively promoting the construction of green factories and green mines, Tianshan Cement made full use of the technical advantages of collaborative disposal of cement kilns for better comprehensive utilization business.

Ningxia Building Materials

Ningxia Building Materials continued to implement peak shifting production, maintained and promoted the healthy development of the industry ecology; and made analysis on market changes to consolidate market share and stabilize growth.

The implementation of the "Cement+" strategy deeply integrated intelligence, digitization and second-generation cement technology, promoting industrial technology upgrade and the implementation of the dual carbon objectives. The application of digitalization expanded the intelligent logistics business with a significant increase in the market share of cementing materials and high-end products, which enhanced the added value of products and competitive strength. Ningxia Building Materials created six "sharing platforms" of "manufacturing, procurement and marketing, logistics, warehouse, safety and finance" and built "sharing plants" and "light tower plants" for resource coordination.

Saima IOT was officially listed in the "Double Hundred Enterprise Pilot Enterprise" under SASAC, completed capital contribution and carried out co-investment incentive for innovative business projects. "Finding Car", the core intelligent logistics platform of Saima IOT, completed the iterative upgrade of version 2.0 and released it to comprehensively improve the service quality and efficiency, orderly launched business and payment settlement.

Qilianshan

Qilianshan focused on building a solid foundation for supply-side structural reform, strictly implemented peak shifting production, and actively maintained the ecological health of the regional cement industry. According to market changes, Qilianshan flexibly adjusted marketing strategies, implemented policies based on enterprises, and established strategic cooperation with high-quality customers to stabilize market shares.

Qilianshan carried out in-depth "benchmarking leading" to further refine the multi-dimensional three-level management benchmarking evaluation system and continuously highlight the efficiency of fine management; and adhered to furthering the reform for further improvement of the reform organization guarantee system and the organization mechanism day by day. Innovation and transformation were steadily advanced. The construction of cloud platform was preliminarily optimized and the electronic procurement trading platform, Qilianshan Mall, ERP testing environment was completed with steady improvement of the lean operation ability.

The "Cement+" strategy was steadily promoted and the industrial development layout was continuously optimized to stabilize the stock and develop increment with overall consideration. Qilianshan drove the construction of digital enterprises with innovation, practiced the concept of green development, empowered production with science and technology and transformed to green intelligence.

NEW MATERIALS SEGMENT

BNBM

BNBM has adhered to its value management, consolidated its core competitiveness and profit advantage, and fully implemented the "2422" reduction target, resulting in a significant year-on-year increase in the production and sales volume of its main products.

BNBM pushed forward the development strategy of “one body, two wings and global layout” steadily and built brand matrix to fully cover customers. The gypsum board business leveraged its brand scale advantage, improved its industrial layout and steadily promoted overseas investment; deepened the integration of the waterproofing business by establishing the unified operation of a waterproofing business platform and reorganising Shanghai Terra Industrial Group Co., Ltd.. It has brands such as Yuwang, Shuyang, Jinmuzhi and Yuehuang, and brings the number of its national industry bases up to 12; based on the integration of the existing coating business, it established the coating business platform, further pushing the new establishment and mergers and acquisitions in the coating business.

BNBM continuously integrated and optimized the personnel structure, and realised the goal of “50-men factories, 80-men bases” at 10 gypsum board bases; continuously improved the ability of independent innovation, and carried out the research and development of the first domestic automatic edge keel packaging machine for a super-large production line of gypsum board with an annual output of 120 million square meters; vigorously pushed forward “near-zero emission” of production lines and accelerated digital construction to empower intelligent, green and low-carbon growth.

China Jushi

China Jushi responded to the market demand, so as to ensure that structural adjustment boosted efficiency; comprehensively increased the proportion of high-end, high value-added products, achieved high production and full sales, prices and profits increase as well as double growth of coarse and spun yarn, and hit a record high in production and sales volume over the same period in history.

China Jushi focused on practical effects in its R&D innovation, continuously optimized and improved the performance of ultra-high modulus E9 glass formulations and the competitiveness of E7, E8 and spun yarn electronic fabric formulations; successfully developed a number of new products to help explore new markets in new areas and enhance high-end market competitiveness.

China Jushi accelerated the progress of intelligent manufacturing and 4 glass fiber production line at Tongxiang headquarters intelligent manufacturing base was successively put into production; accelerated the pace of automation, digitalization, intelligent construction at domestic and overseas production bases, reached a new high in production efficiency, and further reduced the comprehensive cost; made every effort to promote the transformation and upgrade of green manufacturing, and successively implemented the “Dual Control” management of carbon emissions, with obvious results in revenue increase, costs saving and consumption reduction.

Sinoma Science & Technology

In terms of wind power blade business, which was under the technology-driven guidance, Sinoma Science & Technology continued to improve the speed of new product iterations and further optimized and upgraded the product structure; deeply explored customer needs, comprehensively improved product competitiveness and sustainable delivery capability and further stabilized the leading position in the domestic market; promoted the all-round improvement of the operation index and management mechanism by establishing the index system; made new progress in the key core technology of the leading industry, and successfully launched the 85.8m-long all-glass blade which was independently designed and developed.

In terms of glass fiber business, Sinoma Science & Technology seized the opportunity of market booming, gave full play to the advantages of product structure, adjusted the production and sales structure, maximized the production capacity of high value-added products, and achieved increase of major products in both volume and price and significant improvement in productivity and profitability; actively explored the existing kiln capacity, accelerated the construction of the comprehensive utilization project of glass fiber waste yarn, and further reduced the unit production cost; and made new breakthroughs in key core technologies. The thin electronic cloth has been mass-produced. Ultra-thin electronic cloth series are currently tested and verified by customers, and the research and development of 5G electronic cloth has achieved important results; the medium and long-term incentives have been increased, and Beijing FRP Institute has implemented equity incentives.

In terms of lithium diaphragm business, Sinoma Science & Technology advanced the production and operation, business integration and project construction simultaneously with three-wheel drive to form a unified decision-making operation platform; seized the industry opportunities to actively explore international customers and achieve year-on-year growth of sales of more than 100%; adhered to promote the research and development of new products, deploy coating technologies such as oily mixed coating and spraying, coating capacity and coating product reserves, and continuously increase the proportion of high value-added products; accelerated digitization and intelligent construction, realized the localization of control systems of Tengzhou Phase II project, and started the layout of the new base of 1 billion square meters in Nanjing.

China Composites

China Composites continued to optimize its industrial layout, and promoted industrial transformation and upgrading; grasped the "2422" reduction and improved the overall quality of operation according to the key contents such as quality and efficiency improvement, organizational process optimization, and revenue increase, cost saving and consumption reduction; steadily strived for progress in operation, had sufficient orders for its main products and achieved booming situation in both production and sales.

China Composites accelerated scientific research and technology research, made positive progress in high molecular weight polymers with T1100 grade high-performance carbon fiber, and passed customer application verification in the aviation field applicability evaluation with T800 grade carbon fiber. The self-developed special functional materials were successfully developed on the “thin felt+” test line at one time, and the products filled the domestic gap. The high-end reverse osmosis membrane (RO) and element production line used in market including water treatment and material separation achieved technological breakthroughs, putting the products on the market by batches. Zhongfu Shenying’s IPO on the Sci-Tech Innovation Board was accepted by the Shanghai Stock Exchange.

China Composites continued to advance in the project constructions, performed trial-produce on the first phase of Xining 10,000-ton carbon fiber base with a capacity of 6,000 tonnes, passed the acceptance of Lianyungang 1,000-ton carbon fiber intelligent manufacturing new model application project, completed the feasibility study, budgetary approval and preliminary design of the 8MW+ offshore wind power blade project, and successfully put into operation the first phase of high-end reverse osmosis membrane and components project with an annual capacity of 4 million square meters.

Sinoma Advanced

Sinoma Advanced deeply implemented the management concept of “PCP” and continued to promote the “management of three delicacies”.

Sinoma Advanced continued to make breakthrough in its core technology, made great progress in the small batch production of nitride ceramic fiber precursors, fiber spinning technology, fiber mechanical properties enhancement and other engineering technologies; made continuous breakthroughs in the production process of silicon nitride ceramic products and improvement in its production volume, took the lead in China to achieve the batch production of G3 grade silicon nitride ceramic fine ball, and passed the certification of many well-known companies domestic and abroad and achieved mass supply.

Sinoma Advanced actively cooperated with domestic institutes and enterprises to enhance the effectiveness of scientific and technological achievements in multiple fields. Sinoma Advanced worked with the Chinese Academy of Sciences Ningbo Institute of Materials and other units to jointly carry out solid fuel cell technology development and manufacturing; cooperated with medical units to build a demonstration full-process production line from product design to product production; and actively promoted the industrialization of high thermal conductivity silicon nitride ceramic substrates, nitride fibers, ceramic membranes and other scientific and technological achievements.

ENGINEERING SERVICES SEGMENT

Sinoma International

Sinoma International actively coped with multiple challenges such as the spread of overseas epidemic, rising raw material prices and fluctuation of RMB exchange rate, achieved substantial growth in both domestic and overseas newly signed contracts, and continuously improved the level of internationalization.

Sinoma International deeply integrated into the new development pattern of "Dual Circulation", actively expanded the business related to cement EPC industry chain, realized the online operation of the whole value chain in intelligent projects such as Yushan South, and further consolidated the advantages of the main business of cement technology and equipment and engineering services; deeply cultivated the localized operation, experienced substantial growth in the newly-signed diversified contracts, smoothly progressed the battery diaphragm project in Vietnam, the calcium silicate board project in Nigeria and the logistics park project in Tanzania; accelerated the transformation and upgrading of digital and intelligent, continuously improved technological innovation capabilities, and built a whole-process intelligent manufacturing plant with Shangrao Sinoma as the pilot, which increased the per capita production capacity by more than two times; actively responded to the "carbon peak and carbon neutral", formulated Sinoma International carbon emission reduction technology roadmap, and proposed a multi-path technology plan for carbon emission reduction to lead the industry green development; and substantial progress has been made in business restructuring to improve the internal synergies.

China Triumph

China Triumph innovated "cloud" office, "cloud" recruitment, "cloud" contracting, "cloud" bidding and other modes, overcame the huge impact of international epidemic on overseas project execution and international market development, and steadily promoted international development strategy with focus on the initiative of "One Belt, One Road"

In terms of glass engineering, China Triumph reached the international advanced level in the R&D and application of intelligent cold-end technology and equipment of solar photovoltaic glass and high-quality float glass, independently developed the cadmium telluride power generation glass with the world's highest conversion efficiency of 20.24%, and made a record in both the individual contract value and production capacity of the Indian project; in terms of new energy engineering, China Triumph further expanded the business of wind energy, ground photovoltaic power station and other aspects of business, become the largest general contractor for the construction of photovoltaic power plants in Europe; in terms of environmental protection and energy saving, China Triumph developed three main business segments, namely power generation, carbon dioxide capture and industrial intelligent operation and maintenance, won the first prize of national scientific and technological progress with the technology and application of multi-pollutant cooperative deep treatment of industrial flue gas; in terms of equipment manufacturing, while stabilizing the traditional glass equipment market, China Triumph actively transformed into the fields of new energy, new materials and new equipment, and strived to promote technological innovation and upgrading.

Sinoma Mining

Sinoma Mining focused on improving operating efficiency comprehensively, and continuously improved the quality of operation work by stabilizing price, improving quality and developing large customers within the Group; enhanced refined management in depth, and comprehensively improved the quality of operation by improving the quality of operation analysis, promoting centralized procurement, strengthening financial and risk control, and paying close attention to innovation drive; and continued to streamline the organizational structure, resulting in continuous improvement of operational quality.

Sinoma Mining has been practicing the two mountain theory, deepening green development, promoting ecological civilization construction, and striving to build green mines, while 43 mining service projects have been included in the selection list of national green mines and 31 in the selection list of provincial green mines; Sinoma Mining has been increasing its investment in scientific and technological research and development, and continuously improved the level of enterprise technological innovation, so as to lay a solid foundation for the implementation of intelligent and digital green mines.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2021, China will continue to deepen its structural reform on the supply side, focus on releasing the potential of domestic demand and solidly promote high-quality development. From the international point of view, the development of the epidemic and economic situation are still complicated, with the uneven global economic recovery; From the domestic point of view, the macroeconomic policies will maintain continuity, stability and sustainability, and economic operations will maintain steady progress; From the industry point of view, the extensive and profound economic and social systemic changes brought by carbon peak and carbon neutral will put forward higher requirements for the green development of basic building materials such as cement, have a significant impact on the rapid development of new materials industry, as well as bring new opportunities for engineering services segment.

The Group will adhere to the general keynote of seeking progress in a stable manner, adhere to the main line of supply-side structural reform, and strengthen the following tasks in operation management, development quality, reform and innovation in accordance with the requirements of based on new development stage, implementing new development concept, building new development pattern and promoting high-quality development:

Firstly, the Company will strengthen its operation management. In terms of improving operating efficiency, it will promote “guarantee” with “surge”, and stabilize the market share with rise in price to ensure profitability. In terms of enhancing refined management, it will promote “increase” with “reduction”, reduce costs and increase efficiency, continue to carry out bench-marking first-class management improvement actions, and promote institutionalization, process-oriented and standardization. In terms of streamlining the organizational structure, it will promote “stability” with “reduction”, adhere to the principle of prudence, and streamline the organization and personnel.

Secondly, it will strengthen development quality. In terms of cement, it will make continuous breakthroughs in optimization and upgrading, support the "+" development, coordinate the promotion of the layout and development of cement, commercial mix, aggregate and PC components, and improve the capabilities and advantages of the industrial chain; accelerate the construction of smart factories and green factories, intensify coordination processing and resource comprehensive utilization, and advance the upgrade of industrial base and modernization of the industrial chain. In terms of new materials, it will make continuous breakthroughs in the "three-in-one batches", make good efforts on a batch of mature products, consolidate the world's leading position; accelerate the efforts on a batch of growing, products, and expand the scale of business; and intensify efforts on a batch of incubating products with increasing investment in technology. In respect of engineering and technical services, it will continue to make breakthroughs in consolidation and improvement, help Dual Circulation with global thinking, and intensify efforts in localization and appropriate diversification on the basis of consolidating traditional advantages.

Thirdly, it will strengthen reform and innovation. It will steadily promote business integration according to the principle of refocusing, build a professional operation platform, and enhance profitability and value creativity. It will actively deepen reform and innovation, fully implement the three-year action of state-owned enterprise reform, actively explore the establishment of market-oriented incentive mechanism, and enhance corporate cohesion and vitality. It will strengthen the basic and applied research, maintain technological leadership, and accelerate the transformation of results. It will implement the double carbon target, use resources efficiently, and strengthen technology research and application to drive green transformation with technological breakthroughs.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2021.

MATERIAL TRANSACTIONS

Establishment of a Joint Venture – Variation to the Terms of the Shareholders Agreement and its Supplementary Agreement

Reference is made to the announcements of the Company dated 27 September 2019 and 27 December 2019 in relation to the entering of a shareholders' agreement between China United Cement (a wholly-owned subsidiary of the Company) and Henan Investment Group Co., Ltd. ("Henan Investment Group") for the establishment of the joint venture, Henan China United Tongli material Co., Ltd. ("Henan China United").

On 24 May 2021, China United Cement and Henan Investment Group entered into the Amended and Restated Cooperation Agreement afresh, whereby China United Cement will, by injecting its equity interests in some of its subsidiaries, contribute RMB6,000 million (representing 60% of the registered capital of Henan China United) to the registered capital of Henan China United; Henan Investment Group will, by injecting the re-valuated injected assets, contribute RMB4,000 million (representing 40% of the registered capital of Henan China United) to the registered capital of Henan China United. The proportion of the value of those assets to be injected to the registered capital by the parties, which exceeds the respective registered capital contribution subscribed by each party, will be recognized as Henan China United's capital reserve. In order to make the parties' contribution to Henan China United's capital reserve in proportionate to the parties' contribution to Henan China United's registered capital, China United Cement will pay a corresponding amount in cash to make up its contribution to Henan China United's capital reserve.

For details of establishment of Henan China United and variation to the terms of the shareholders agreement and its supplemental agreement, please refer to the Company's announcement dated 24 May 2021. As of the date of this announcement, the transaction has not been completed.

Restructuring of Cement Assets

According to the indicative agreements entered into on 7 August 2020, (i) the Company sold its equity interest in China United Cement, South Cement, Southwest Cement and Sinoma Cement, all of which are subsidiaries of the Company, to Tianshan Cement; and (ii) Tianshan Cement acquired equity interests in South Cement or Southwest Cement (as the case may be) from certain minority shareholders("Restructuring of Cement Assets"). On 2 March 2021, the Company entered into a supplemental agreement with Tianshan Cement to agree on the consideration of the transactions under the Restructuring of Cement Assets. The consideration shall be paid in the form of consideration shares issued by Tianshan Cement. On the same date, Tianshan Cement entered into a supplementary agreement with 25 minority shareholders of South Cement or Southwest Cement (as the case may be) to agree on the consideration of transactions under the Restructuring of Cement Assets. The consideration shall be paid in the form of consideration shares issued by Tianshan Cement and/or in cash. On 10 August 2021, the Company entered into a profit guarantee agreement with Tianshan Cement in connection with the Company's provision of a profit guarantee to Tianshan Cement with respect to the Target Companies, in order to facilitate the smooth progression of the Restructuring. Upon completion, Tianshan Cement will remain as a subsidiary of the Company. The abovementioned indicative agreements and supplementary agreements will not take effect until the relevant effective conditions are fulfilled. On 25 August 2021, the China Securities Regulatory Commission's review committee of mergers and acquisitions and restructuring by listed companies unconditionally approved the transactions contemplated under the Restructuring of Cement Assets. As of the date of this announcement, the completion has not yet been completed. Details of the transactions contemplated under the Restructuring of Cement Assets are set out in the Company's announcements dated 24 July 2020, 7 August 2020, 2 March 2021,23 March 2021, 10 August 2021 and the circular dated 4 March 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2021, the Company and its subsidiaries had no purchase, sale or redemption of listed securities ("securities" having the meaning ascribed by the Listing Rules) of the Company.

CORPORATE GOVERNANCE CODE

Except for code provision A.4.2 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "Code"), the Company complied with the code provisions of the Code during the six months from 1 January 2021 to 30 June 2021. With respect to code provision A.4.2, every director should be subject to retirement by rotation at least once every three years. The current session of the Board was elected on 27 May 2016 which shall be subject to retirement by rotation by 27 May 2019. However, as it affects the entire Board of Directors, many factors must be considered to ensure the smooth continuation of the senior management of the Company. Therefore, with the exception of the following Directors, the remaining Directors of the current session of the Board have not retired by rotation.

Mr. Song Zhiping and Mr. Guo Chaomin, being the former Directors, have retired. At the 2017 annual general meeting of the Company held on 13 June 2018, Mr. Peng Jianxin was elected by the Shareholders as an executive Director, and Ms. Xu Weibing, Mr. Shen Yungang and Ms. Fan Xiaoyan were elected as non-executive Directors. Mr. Peng Jianxin resigned as the vice chairman of the Company and the executive Director on 30 July 2019 due to his retirement. Ms. Xu Weibing resigned as a non-executive Director due to her retirement. The resignation took effect since the appointment of Ms. Zhan Yanjing as a non-executive Director was approved at the extraordinary general meeting of the Company held on 9 December 2019. Mr. Qian Fengsheng resigned as an independent non-executive Director due to personal reasons. The resignation took effect after the approval of the appointment of Mr. Li Jun as an independent non-executive Director at the annual general meeting of the Company held on 22 May 2020. Mr. Fu Jinguang was elected as an executive Director by the Shareholders at the 2020 First Extraordinary General Meeting held on 24 September 2020.

SPECIAL COMMITTEES UNDER THE BOARD

The Strategic Steering Committee

The Company has established a strategic steering committee which comprises three Directors, including two executive Directors and one independent non-executive Director. The strategic steering committee is responsible for studying and reviewing the Company's operation objectives and long-term development strategies, business and organisational development proposals, major investing and financing plans and other material matters that will affect the development of the Company; supervising and inspecting the implementation of the annual operation plan and investing plans under the authorisation of the Board; and making recommendations to the Board. During the Reporting Period, the strategic steering committee has reviewed the operation of the Company for the year of 2020, proposals relating to the working arrangement in 2021 and proposal on the adjustment of the Company's structure.

Nomination Committee

The Company has established a nomination committee which comprises three Directors, including one executive Director and two independent non-executive Directors. The terms of reference adopted by the nomination committee are in compliance with the provisions of the Code. The nomination committee is responsible for, among other things, the annual review of the structure, size and composition of the Board (in terms of techniques, knowledge and experience) as directed by the board diversity policy, providing recommendations to the Board in respect of any adjustments to be made in accordance with the Company's strategies and examining the selection criteria and procedures for the appointment of Directors and senior management, and reviewing the qualifications and conditions of Directors and senior management. During the Reporting Period, the nomination committee has reviewed the structure, size and composition of the Board and the special committees, diversity of the Board as well as the independence of the independent non-executive Directors, and approved five proposals in total, including the appointment of General Counsel of the Company and the adjustment of directors and supervisors of subsidiaries.

Remuneration and Performance Appraisal Committee

The Company has established a remuneration and performance appraisal committee which comprises three Directors, including one executive Director and two independent non-executive Directors. The terms of reference adopted by the remuneration and performance appraisal committee are in compliance with the provisions of the Code. The remuneration and performance appraisal committee is responsible for recommending the specific remuneration and reviewing the performance of the Directors and senior management, based on the remuneration and performance appraisal management policies and framework pertaining to Directors and senior management which have been formulated by the Board. During the Reporting Period, the remuneration and performance appraisal committee has reviewed the total remuneration of the senior management members of the Company for 2020.

Audit Committee

The Company has established an audit committee which comprises three Directors, including three independent non-executive Directors, one of whom possesses the appropriate professional qualification and accounting and related financial management experience. The terms of reference adopted by the audit committee are in compliance with the provisions of the Code. The principal duties of the audit committee include reviewing the Company's external auditors and their work, the Company's financial reporting procedures, internal control and risk management, and formulating and reviewing the corporate governance policy and its practice and disclosure. During the Reporting Period, the audit committee has listened to the work report of the secretariat of the Board of Directors on the intersessional work of the committee, the audit department's internal audit work summary for the year 2020 and report on the work plan for the year 2021, the report of the audit work in financial report for the year 2020, and the report of the management on the operation management and business development for the year 2020, and reviewed the appointment of auditors for the year 2021, the determination of the annual audit fee for the year 2020, the 2020 annual report and the 2021 interim report of the Company.

MODEL CODE

The Company has adopted a set of code of practice on terms no less exacting than the standards as required under the Model Code. The code of practice also applies to the Supervisors. Having made specific enquiries with all Directors and Supervisors, the Company confirmed that all the Directors and Supervisors had complied with the required standards regarding securities transactions by Directors and Supervisors set out in the Model Code and Code for Securities Transactions of China National Building Material Company Limited during the Reporting Period.

DEFINITIONS

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

""2+3" marketing strategy"	consolidate two core markets of Lusaka and Copperbelt Province of Zambia, and expand three overseas markets of Democratic Republic of the Congo, Zimbabwe and Malawi
""2422" reduction"	the Group's key performance indicators, which include the reduction of account receivables and inventory; the reduction of other receivables, prepayments, interest-bearing liabilities and monetary capital; the reduction of asset-liability ratio and capital expenditure; and the reduction of the number of employees and legal persons
"Beijing FRP Institute"	北京玻璃鋼研究設計院有限公司 (Beijing FRP Research and Design Institute Co., Ltd.*)
"BNBM"	北新集團建材股份有限公司 (Beijing New Building Material Public Limited Company)
"Board"	the board of directors of the Company
"carbon neutral"	the offset of carbon dioxide emissions through afforestation, energy conservation and other channels in order to achieve "zero emissions" of carbon dioxide
"carbon peak"	carbon dioxide emissions no longer increase and have reached the peak, then gradually fall back
"Cement+"	to develop, optimize and expand cement, commercial concrete, aggregate businesses which are the extension of industry chain of cement-related products and the new focal point of profit growth
"China Composites"	中國複合材料集團有限公司 (China Composites Group Corporation Limited)

"China Jushi"	中國巨石股份有限公司 (China Jushi Co., Ltd.) (previously known as 中國玻纖股份有限公司 China Fiberglass Company Limited)
"China Triumph"	中國建材國際工程集團有限公司 (China Triumph International Engineering Company Limited)
"China United Cement"	中國聯合水泥集團有限公司 (China United Cement Corporation)
"Company" or "CNBM"	中國建材股份有限公司 (China National Building Material Company Limited)
"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
"Dual Circulation"	a new development pattern with domestic circulation as the mainstay and domestic and international circulations reinforcing each other
"Dual Control"	control intensity and control quantity
"EBC system"	Enterprise Business Capability system
"EPC"	abbreviation for Engineering, procurement and construction, namely being commissioned by the owner to contract such project work as design, procurement, construction and trial operations pursuant to the contract and be fully responsible for the quality, safety, timely delivery and cost of the project, and bears similar meaning to "EPC Contract"
"Group"	the Company and, except where the context otherwise requires, all its subsidiaries
"H Share(s)"	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

"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board
"IFRS"	International Financial Reporting Standards
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"management of three delicacies"	improve operating efficiency, enhance refined management and streamline the organizational structure
"MEE"	中華人民共和國生態環境部 (Ministry of Ecology and Environmental of the People's Republic of China)
"MIIT"	中華人民共和國工業和信息化部 (Ministry of Industry and Information Technology of the People's Republic of China)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"Ningxia Building Materials"	寧夏建材集團股份有限公司 (Ningxia Building Materials Group Co., Limited)
"North Cement"	北方水泥有限公司 (North Cement Company Limited)
"one body, two wings and global layout"	"one body" means to take the gypsum board business as the core, do a good job in supporting extension business of "gypsum board +", promote our original "Luban" universal board assembly system for the whole house, and provide customers with technical solutions of "interior, exterior, ceiling and floor" innovative products; "two wings" means to develop waterproof materials and coatings business, enter into "ten times +" market, and cultivate main business in a strategic level; "global layout" means to take gypsum board as the leading product, gradually carry out the global layout of the entire product series, and build a world-class brand

"Parent"	中國建材集團有限公司 (China National Building Material Group Co., Ltd.*) (previously known as 中國建築材料集團有限公司 China National Building Materials Group Corporation)
"PCP"	Price – Cost – Profit
"PRC"	the People's Republic of China
"precision, practicality, detail and innovation"	"precision" means accuracy, exquisite and perfection; "practicality" means focusing on reality, implementation and results; "detail" means detailed targets, detailed measures and detailed work; "innovation" means new ideas, new actions and new achievements
"Qilianshan"	甘肅祁連山水泥集團股份有限公司 (Gansu Qilianshan Cement Group Company Limited)
"Reporting Period"	the period from 1 January 2021 to 30 June 2021
"RMB" or "Renminbi"	Renminbi yuan, the lawful currency of the PRC
"Saima IOT"	賽馬物聯科技(寧夏)有限公司 (Saima IOT Technology (Ningxia) Co., Ltd.)
"SASAC"	國務院國有資產監督管理委員會 (The State-owned Assets Supervision and Administration Commission of the State Council)
"Share(s)"	ordinary shares of the Company with a nominal value of RMB1.00 each, comprising Domestic Shares, H Shares and Unlisted Foreign Shares
"Shareholder(s)"	holder(s) of Share(s)
"Sinoma Advanced"	中材高新材料股份有限公司 (Sinoma Advanced Materials Co., Ltd.)
"Sinoma Cement"	中材水泥有限責任公司 (Sinoma Cement Co., Ltd.)
"Sinoma International"	中國中材國際工程股份有限公司 (Sinoma International Engineering Co., Ltd.)

"Sinoma Luoding"	中材羅定水泥有限公司 (Sinoma Luoding Cement Co., Ltd.)
"Sinoma Mining"	中材礦山建設有限公司 (Sinoma Mining Construction Co., Ltd.)
"Sinoma Science & Technology"	中材科技股份有限公司 (Sinoma Science & Technology Co., Ltd.)
"South Cement"	南方水泥有限公司 (South Cement Company Limited)
"Southwest Cement"	西南水泥有限公司 (Southwest Cement Company Limited)
"State"	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Supervisor(s)"	the member(s) of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company
"Taishan Gypsum"	泰山石膏有限公司 (Taishan Gypsum Co., Ltd.*)
"TCDRI"	天津水泥工業設計研究院有限公司 (Tianjin Cement Industry Design & Research Institute Co., Ltd.)
"thin felt+"	the special thin felts which fully rely on the developed and enhanced base material with uniqueness and technical ingenuity, developing special functional materials that are resource-saving, space-functional and environmentally friendly

"Tianshan Cement"	新 疆 天 山 水 泥 股 份 有 限 公 司 (Xinjiang Tianshan Cement Co., Ltd.*)
"Unlisted Foreign Shares"	the unlisted foreign shares with a nominal value of RMB1.00 each in the registered capital of the Company
"Zhongfu Shenying"	中 復 神 鷹 碳 纖 維 有 限 責 任 公 司 (Zhongfu Shenying Carbon Fiber Co., Ltd.)

By Order of the Board
China National Building Material Company Limited*
Cao Jianglin
Chairman

Beijing, the PRC
27 August 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Cao Jianglin, Mr. Chang Zhangli, Mr. Peng Shou, Mr. Cui Xingtai and Mr. Fu Jinguang as executive directors, Ms. Zhan Yanjing, 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. Li Jun and Ms. Xia Xue as independent non-executive directors.

* *For identification purposes only*