

Other Information

SHARE CAPITAL STRUCTURE

	As at 30 June 2006	
	Number of shares	Percentage of issued share capital
Domestic shares	1,319,366,000	63.69%
H share	752,334,000	36.31%
	2,071,700,000	100%

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

For the six months ended 30 June 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities of the Company ("securities" shall have the meaning as defined in the Listing Rules).

MATERIAL LITIGATION AND ARBITRATION

The Group was not involved in any material litigation and arbitration during the six months ended 30 June 2006.

SHARE CONVERSION OF SUBSIDIARIES AND ASSOCIATES

Share Conversion of BNBM (a subsidiary)

The conversion scheme of BNBM was completed in the first half of the year, pursuant to which the Company offered each holder of A shares 2 shares for every 10 tradable shares held by such shareholder, and the Parent paid RMB3.83 for every 10 tradable shares held by such shareholder as cash consideration.

Share Conversion of Yaohua (an associate)

The conversion scheme of Yaohua was completed in the first half of the year, pursuant to which each holder of A shares was offered 3.5 shares for every 10 tradable shares held by such shareholder.

For the impact of share conversion of BNBM and Yaohua on business results of the Company for the first half of 2006, please refer to the financial review herein.

Share Conversion of China Fiberglass (an associate)

The conversion scheme of China Fiberglass was completed on 17 August 2006, pursuant to which each holder of A shares was offered 2 shares for every 10 tradable shares held by such shareholder, and Parent and other holders of non-tradable shares paid RMB3.5 for every 10 tradable shares held by each holder of A shares as cash consideration.

The impact of share conversion of China Glassfiber on business results of the Company will be disclosed in the Company's annual report for 2006.



Other Information

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2006, the Group had approximately 9,325 employees.

The remuneration and welfare of the Company's employees include remuneration, bonus and allowance. In accordance with the relevant national and local labor and social welfare laws and regulations, members of the Company shall pay various social welfare fees including retirement insurance, medical insurance, unemployment insurance and housing accumulation fund for their employees per month.

The Company endeavors to provide training to its employees. On-job training and continual training plans include management skills and technical training, overseas communication plan and other courses. The Company also encourages employees to learn by themselves through offering scholarship.

Currently, the Company has no share purchase plan for its senior management or its employees.

SHARE APPRECIATION RIGHTS PLAN

The Company has established a long-term incentive plan in respect of share appreciation rights for the senior management, senior professionals and experts (those who make significant contribution to the Company), so as to provide additional rewards to its senior management and improve the connection between the performance of its senior management and return to its shareholders.

Other Information

DISCLOSURE OF INTERESTS

(1) Substantial shareholders and persons who have an interest or short position discloseable under divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (“SFO”)

As at 30 June 2006, as recorded in the register required to be kept by the Company under Section 336 of the SFO, the persons (other than the directors and supervisors of the Company) who have interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Name	Class of shares	Number of shares held	Percentage in the relevant class of share capital (%)	Percentage in the total share capital (%)
Parent ¹	Domestic	1,250,149,846 ²	94.75	60.34
BNBMG	Domestic	779,862,307 ²	59.11	37.64
CNBM Trading	Domestic	119,543,504 ²	9.06	5.77
Cinda	Domestic	69,216,154 ²	5.25	3.34
JPMorgan Chase & Co.	H share	79,612,000 ²	10.58	3.84
		10,554,000 ³	1.40	0.51
The Tantallon Fund	H share	39,000,000 ²	5.18	1.88

Notes:

- Of these 1,250,149,846 shares, 350,128,232 shares are directly held by Parent, the remaining 900,021,614 shares are deemed corporate interest indirectly held through BNBMG, CNBM Trading and Building Materials Academy. BNBMG, CNBM Trading and Building Materials Academy are wholly owned subsidiaries of Parent. Parent is deemed to own the shares directly held by BNBMG (779,862,307 shares), CNBM Trading (119,543,504 shares) and Building Materials Academy (615,803 shares).
- Long position.
- Lending pool.
- As at 30 June 2006, the Company's total issued share capital comprises 2,071,700,000 shares, including 1,319,366,000 domestic shares and 752,334,000 H shares.
- All the above percentages are calculated by rounding to two decimal places.

(2) Interests and Short Positions of Directors and Supervisors

As at 30 June 2006, as far as the Company is aware, none of the directors and supervisors of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO, or otherwise required to be notified by the directors or supervisors to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules nor have they been granted the right to acquire any interests in shares or debentures of the Company or any of its associated corporations.