



2008 Annual Results



宝业集团股份有限公司
BAOYE GROUP COMPANY LIMITED

STOCK CODE 2355.HK



宝业集团股份有限公司 Baoye Group Company Limited



**Results
Review**



Prospects



**Corporate
Profile**





宝业集团股份有限公司 Baoye Group Company Limited



Results

Review



Summary

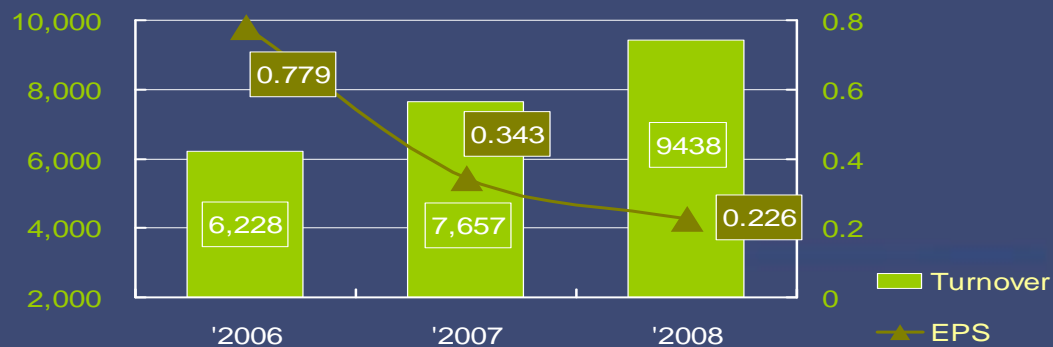


Results Review



As at 31 December
RMB Million

	2008	2007	Change
Turnover	9,438	7,657	+23%
Profit attributable to shareholders	150	226	-34%
Earnings per share (RMB)	0.226	0.343	-34%





Turnover



Results Review



As at 31 December
RMB Million

	2008	2007	Change
Construction	7,641	6,125	+25%
Property Development	491	374	+31%
Building Materials	1,225	1,098	+12%
Others	81	60	+34%
Total	9,438	7,657	+23%



Operating Profit



Results Review



As at 31 December
RMB Million

	2008	2007	Change
Construction	230	219	+5%
Property Development	98	117	-16%
Building Materials	74	80	-8%
Others	(12)	3.3	-
Total	390	419	-7%



Operating Profit Margin



Results Review



As at 31 December

	2008	2007	Change
Construction	3.0%	3.6%	-16%
Property Development	20.0%	31.4%	-36%
Building Materials	6.0%	7.3%	-17%



Financial Ratio Analysis



Results Review



As at 31 December

	2008	2007
Return on equity	5 %	8 %
Net assets value per share (RMB)	4.45	4.31
Net gearing ratio	24 %	32 %
Current ratio	1.23	1.02



Business Structure



Results Review



Revenue and profit breakdown by business segments As at 31 December 2008

	<i>Revenue</i>	<i>Profit</i>
Construction	81%	59%
Property Development	5%	25%
Building Materials	13%	19%
Others	1%	-3%



宝业集团股份有限公司 Baoye Group Company Limited

Prospects





Urbanization in China

- The acceleration of the process of urbanization not only directly provides significant impetus for the middle and low end segments of the construction industry, such as construction work and real estate development, but also contributes to a more significant and faster growth of high end segments like water conservancy, transportation, electricity and municipal etc.
- The acceleration of the process of urbanization brought enormous development opportunities for each of the three major businesses of Baoye.



1% growth in urbanization rate



Contributes to 2% growth in GDP

Urban population growth of 16,000,000

New residence demand of 320,000,000m²

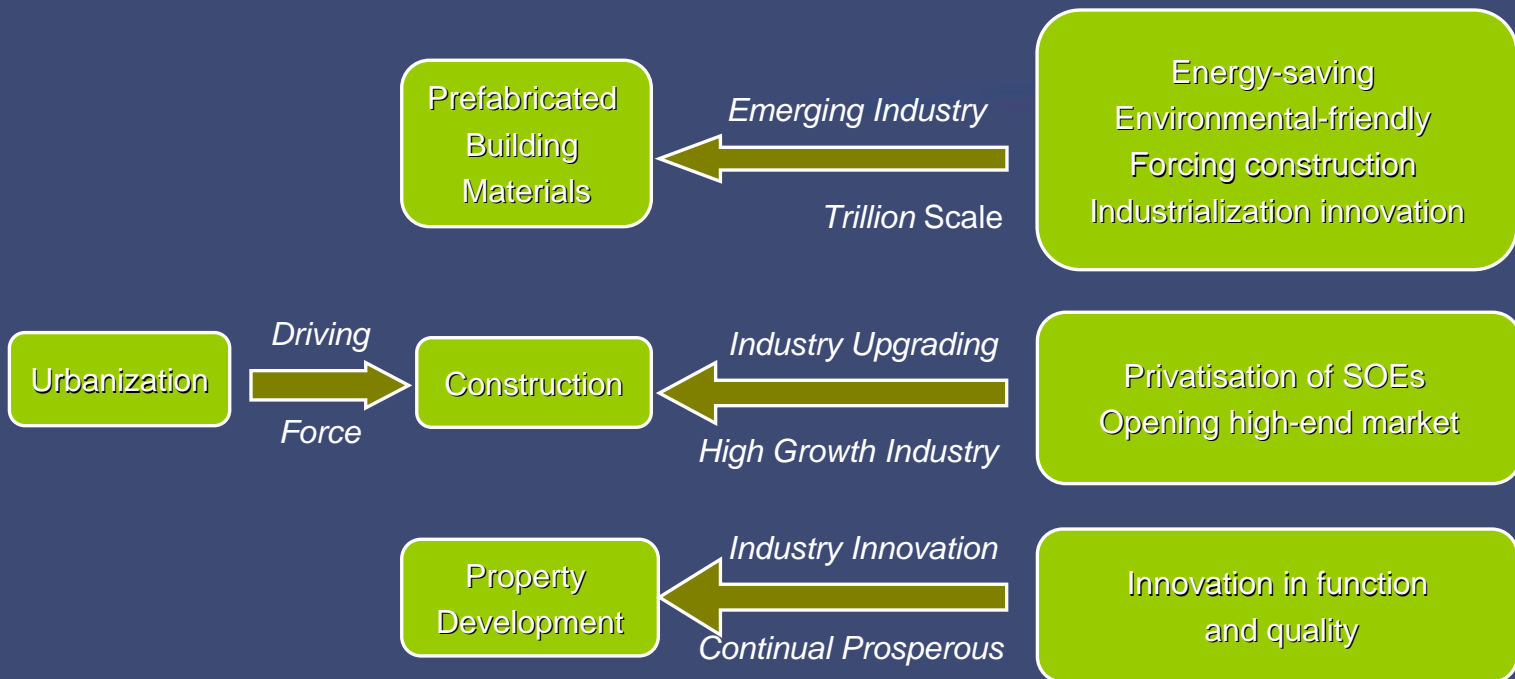
Directly results in more than RMB 1 trillion of revenue to the construction industry



Urbanization in China



Driving force for construction growth in China - urbanization





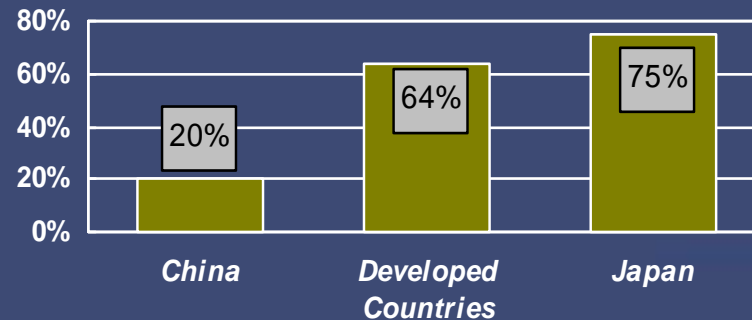
Prefabricated Building Materials



Prospects



- Currently, the construction industrialization rate in China is just around 20%, which is far below the average of 70% in developed countries.
- With the implementation of the construction industrialization reform, the market capacity for new building materials in China will reach trillions of Renminbi in the coming years.



Prefabricated Building Materials

To be the leading prefabricated building materials company in China

Prospects

	<i>Commencement of construction</i>	<i>Commencement of operation</i>	<i>Designed production capacity (RMB)</i>
Shaoxing Building Materials Industrial Park	2002	2004	2 billion
Hefei Building Materials Industrial Park	2005	2007	2 billion
Wuhan Building Materials Industrial Park	2009	2011-12	2 billion
Total			6 billion



Construction-in-progress (by project nature)



Prospects

As at 31 December
RMB Million

	2008		2007		Change
		% of total		% of total	
Government & Public Buildings	9,835	38%	8,167	35%	+20%
Urban Infrastructure	7,506	29%	7,467	32%	+1%
Residential Projects	4,918	19%	4,667	20%	+5%
Industrial Projects	3,623	14%	3,034	13%	+19%
Total	25,882	100%	23,334	100%	+11%



Construction-in-progress (by region)



Prospects



As at 31 December
RMB Million

	2008		2007		Change
		% of total		% of total	
Zhejiang Province	8,876	34%	8,167	35%	+9%
Shanghai	8,435	28%	7,934	34%	+4%
Central China Region	6,971	27%	6,143	26%	+13%
Northern China Region	1,441	9.6%	934	4%	+54%
Overseas*	159	1.4%	157	1%	+1%
Total	25,882	100%	19,768	100%	+11%

*Overseas construction business was principally carried out in three African countries including Djibouti, Botswana and Seychelles.



Property Development



Property Development Schedule (2009 & 2010)

Property Name	Location	Equity Interest held by Baoye	GFA (sqm)	Cost (Rmb/sqm)
Baoye Four Seasons Garden I	Shaoxing	100%	100,000	5,200
Daban Fengqing	Shaoxing	100%	250,000	5,500
Yuyuan	Shaoxing	49%	180,000	11,000
Jing'an Ziyuan	Shanghai	70%	48,239	14,000
Baoye City Green Garden II&III	Hefei	100%	250,000	2,900
Hefei Tongchenglu Project	Hefei	100%	164,000	3,000
Baoye Moon Lake Garden	Jingzhou	100%	82,000	1,100
Xudonglu Project	Wuhan	100%	100,000	3,650



Property Development



Prospects

- The Shanghai Jing'an Ziyuan service apartments were pre-sold for approximately RMB828 million and will be recognized in the first half of 2009.





Entering a High Growth Era



Prospects

- Baoye will continue to enjoy a very strong growth in the coming years in all three business segments.
- Accelerating urbanization in PRC will sustain long-term growth for our businesses.
- Improving household income supports housing demand.
- Demand for intelligent architecture and energy-efficient and environmental-friendly construction services are bringing enormous industry opportunities for prefabricated building materials.
- Baoye is one of a few companies that have a very clear earnings visibility.





宝业集团股份有限公司 Baoye Group Company Limited



Corporate Profile



宝业集团股份有限公司 Baoye Group Company Limited



Corporate Profile



- We are the leading China's urbanization operator.
- With 35 years of industry experience, the Group has successfully developed into a conglomerate enterprise comprising of prefabricated building materials, construction and property development and growing up from a regional company to a national group .
- An H-share company listed on the main board of HKEx since June 2003. The first and the only PRC vertically integrated construction enterprise listed in Hong Kong.



Corporate Profile



- Proven business track record with impressive earnings growth.
- Highly focused and specialized in our core businesses segments.
- Privately-owned enterprise managed by professionals with an aim to enhance shareholders' value through sound corporate governance.



Business Structure



Corporate Profile



Baoye Group

Prefabricated Building Materials

- The pioneer of prefabricated building materials manufacturing in the PRC, aiming to become the industry standard setter
- Operates PRC's largest and Zhejiang's only national-class prefabricated building materials industrial park

Construction

- No limit on tendering bids because of our top-class license
- Strong revenue growth supported by large order volume on hand

Property Development

- Enjoys a higher than industry average profit margin due to synergistic effect resulting from excellent construction and quality building materials
- Quality land bank accumulated at low cost over the past years, sufficient for future development in the coming 10 years



Shareholders Structure



Corporate Profile



As at 31 March 2009

	<i>No. of shares</i>	<i>% of total</i>
Domestic Shares (non-listed)		
Chairman, Mr.Pang	198,753,054	29.98%
Senior Management (30 persons)	151,988,999	22.93%
	350,742,053	52.91%
H Shares (listed)		
Atlantis	66,000,000	9.96%
HSBC Global Asset (Hong Kong) Limited	28,300,000	4.27%
JPMorgan Chase & Co.	24,163,000	3.64%
Goldman Sachs	18,428,160	2.78%
Others	175,330,792	26.44%
	312,221,952	47.09%
Total	662,964,005	100%



宝业集团股份有限公司 Baoye Group Company Limited



Corporate Profile



- Zhejiang Province, where our headquarters located, is in the Yangtze Delta, one of the richest regions in the PRC.
- In addition to our home base, we have expanded our business footprint into neighboring areas including Shanghai, Hefei & Wuhan.

宝业集团股份有限公司
BAOYE GROUP CO., LTD.



宝业集团股份有限公司 Baoye Group Company Limited



Corporate Profile



Baoye Group Company Limited

Building Materials Business

- Shaoxing Building Materials Industrial Park
- Hefei Building Materials Industrial Park
- Wuhan Building Materials Industrial Park (under construction)

Construction Business

- Zhejiang
- Shanghai
- Jiangsu
- Anhui
- Hubei
- Hunan
- Jiangxi
- Beijing
- Tianjin
- Hebei
- Henan
- Shandong
- Liaoning
- Chongqing

Property Development Business

- Shaoxing
- Hefei
- Shanghai
- Hubei



Disclaimer

- This presentation includes forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that Baoye expects or anticipates will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements.
- Baoye's actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, market share, competition, environmental risks, changes in legal, financial and regulatory frameworks, government policies, international economic and financial market conditions, political risks, cost estimates and other risks and factors beyond our control.
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