

Annual Results 2009



BAOYE GROUP COMPANY LIMITED
寶業集團股份有限公司

STOCK CODE: 2355.HK



寶業集團股份有限公司 BAOYE GROUP COMPANY LIMITED

Results
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Corporate
Profile





寶業集團股份有限公司 BAOYE GROUP COMPANY LIMITED



Results Review



Summary

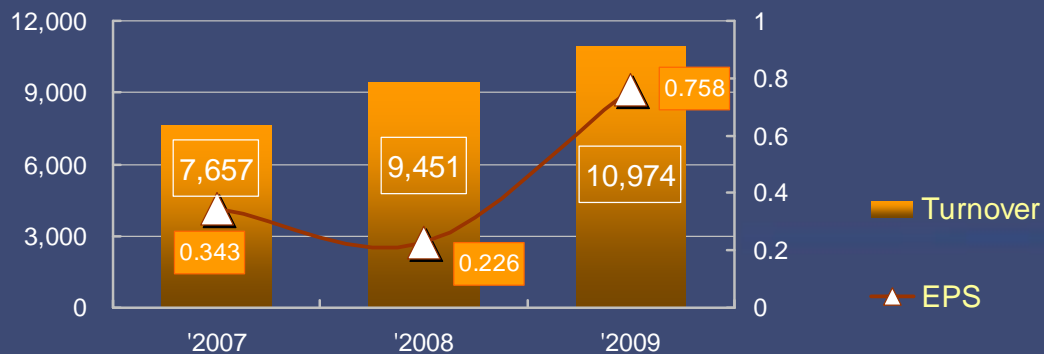


Results Review



As at 31 December
RMB million

	2009	2008	Change
Turnover	10,974	9,451	+16%
Profit attributable to equity holders	502	150	+235%
Earnings per share (RMB)	0.758	0.226	+235%

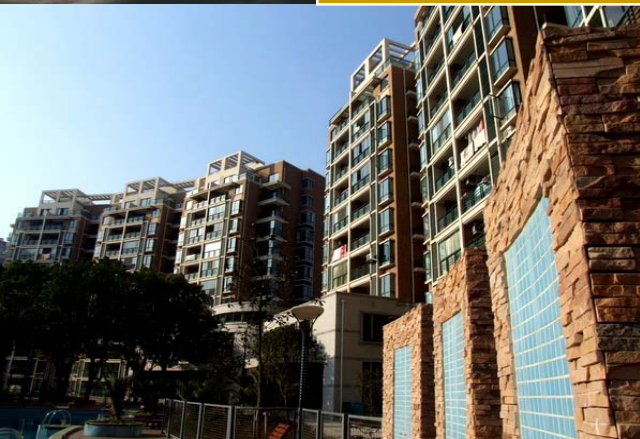




Turnover



Results Review



As at 31 December
RMB million

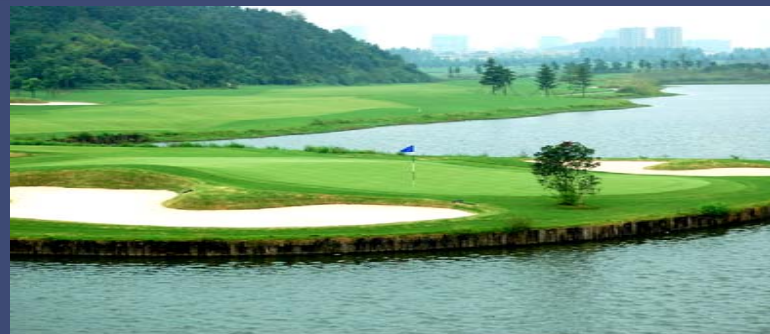
	2009	2008	Change
Construction	8,302	7,654	+8%
Property Development	1,440	491	+193%
Building Materials	1,152	1,225	-6%
Others	79	81	-2%
Total	10,974	9,451	+16%



Operating Profit



Results Review



As at 31 December
RMB million

	2009	2008	Change
Construction	250	230	+9%
Property Development	615	102	+504%
Building Materials	53	74	-29%
Others	-7	-12	-
Total	910	394	+131%



Operating Profit Margin



Results Review



As at 31 December

	2009	2008	Change
Construction	3.0%	3.0%	+0%
Property Development	42.7%	20.7%	+106%
Building Materials	4.6%	6.0%	-25%




Financial Ratio Analysis



Results Review

As at 31 December

	2009	2008
Return on equity	14.9 %	5.1 %
Net assets value per share (RMB)	5.09	4.45
Net cash ratio	8 %	
Net gearing ratio	-	24 %
Current ratio	1.33	1.01





Business Structure

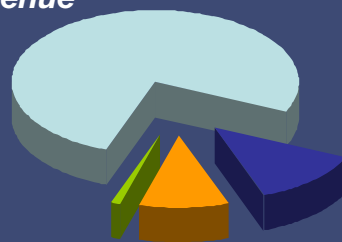
Results Review

Revenue and profit breakdown by business segments

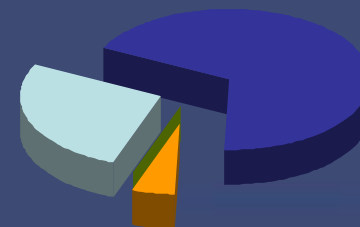
As at 31 December 2009

	<i>Revenue</i>	<i>Profit</i>
Construction	76 %	27 %
Property Development	13 %	68 %
Building Materials	10 %	5 %
Others	1 %	0 %

Revenue



Profit

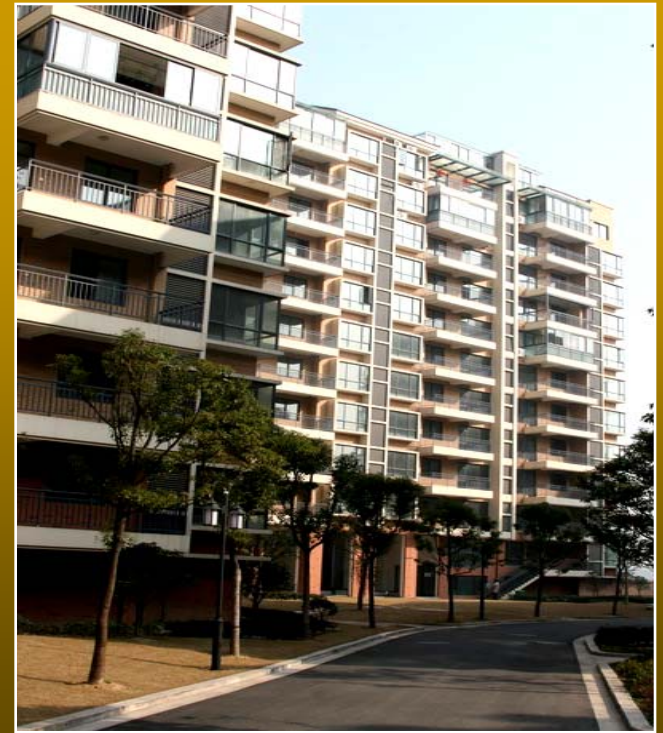


■ Construction ■ Property Development ■ Building Materials ■ Others



寶業集團股份有限公司 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

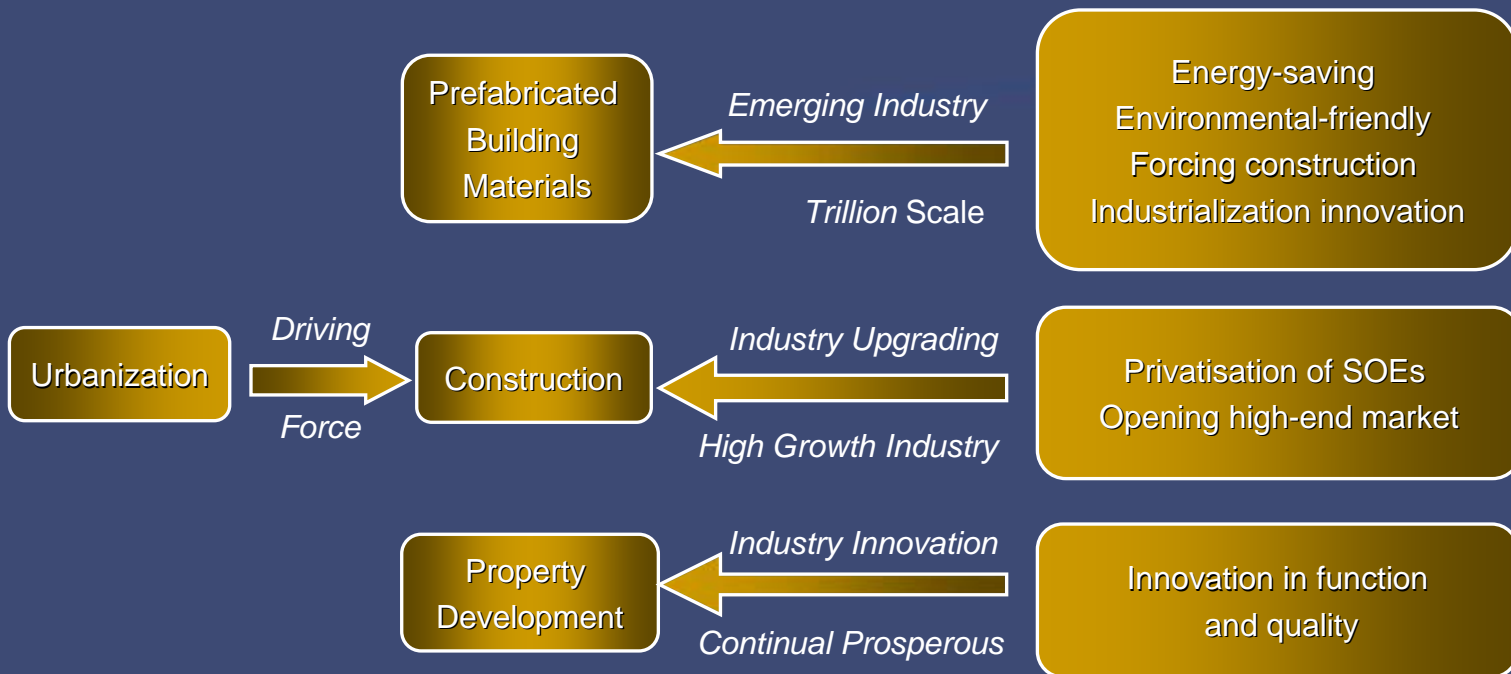
Directly results in more than RMB 1 trillion of revenue to the construction industry



Urbanization in China



Driving force for construction growth in China - urbanization





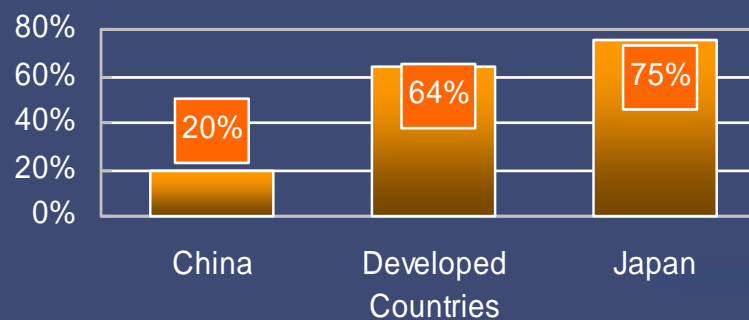
Prefabricated Building Materials



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



Prospects

To be the leading prefabricated building materials company in China

	<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	2011-2012	2 billion
Total			6 billion



Construction-in-progress (by project nature)



As at 31 December
RMB million

	2009 % of total		2008 % of total		Change
Government & Public Buildings	11,486	39%	9,835	38%	+17%
Urban Infrastructure	8,836	30%	7,506	29%	+18%
Residential Projects	5,301	18%	4,918	19%	+8%
Industrial Projects	3,829	13%	3,623	14%	+6%
Total	29,452	100%	25,882	100%	+14%



Construction-in-progress (by region)



Prospects



As at 31 December
RMB million

		2009 % of total		2008 % of total	Change
Zhejiang Province	10,897	37%	8,876	34%	+23%
Shanghai	8,541	29%	8,435	33%	+1%
Central China Region	7,363	25%	6,971	26%	+6%
Northern China Region	2,356	8%	1,441	6%	+63%
Overseas*	295	1%	159	1%	+85%
Total	29,452	100%	25,882	100%	+14%

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

Property Development

Prospects

Property Development Schedule (2010 & 2011)

<i>Property Name</i>	<i>Location</i>	<i>Equity Interest held by Baoye</i>	<i>GFA (sqm)</i>	<i>Cost (Rmb/sqm)</i>
Baoye Four Seasons Garden I	Shaoxing	100%	100,000	10,000
Daban Fengqing I	Shaoxing	100%	130,000	6,700
Yuyuan	Shaoxing	49%	89,000	24,000
Baoye City Green Garden II & III	Hefei	100%	127,000	2,500
Baoye Tongcheng Green Garden I	Hefei	100%	100,000	3,200
Baoye Moon Lake Garden	Jingzhou	100%	82,000	1,300
Xudong Yayuan	Wuhan	100%	30,600	4,100



Prospects



- ◆ Construction business is the platform for the Group's business development, which brings in steady and stable cash inflow.
- ◆ Property Development business will contribute significant growth in terms of profitability to the Group.
- ◆ Building Materials business is an important strategy to sustain continuous growth for the Group.



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.



寶業集團股份有限公司 BAOYE GROUP COMPANY LIMITED



Corporate Profile



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

As at 29 March 2010

Corporate Profile



	No. of shares	% of total
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	65,104,000	9.82%
JPMorgan Chase & Co.	28,764,000	4.34%
HSBC Global Asset (Hong Kong) Limited	28,000,000	4.22%
Henderson Global Assets Investors Limited	25,498,000	3.85%
Others	171,531,952	24.86%
	312,221,952	47.09%
Total	662,964,005	100%



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Corporate Profile

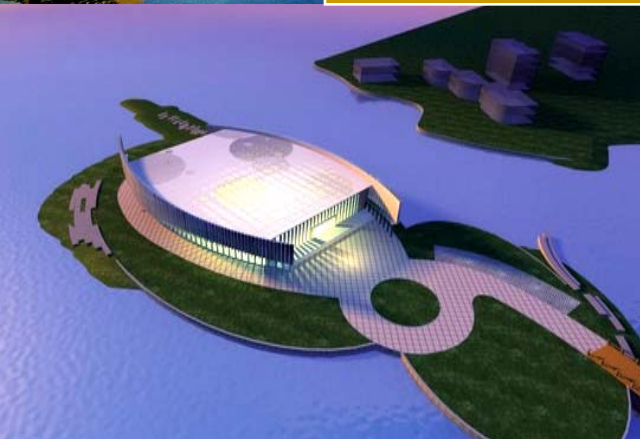


- ◆ Zhejiang Province, where our headquarters located, is in the Yangtze Delta, one of the richest regions in the PRC.
- ◆ In addition to our home base, we have expanded our business footprint into neighboring areas including Shanghai, Hefei & Wuhan.

宝业集团股份有限公司
BAOYE GROUP CO., LTD



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 - Beijing
- Shanghai - Tianjin
- Jiangsu - Hebei
- Anhui - Henan
- Hubei - Shandong
- Hunan - Liaoning
- Jiangxi - 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.
- ◆ In addition, Baoye makes these forward-looking statements as of today and undertakes no obligation to update these statements.
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