



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



Results Review and Prospects

STOCK CODE: 2355.HK



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

Corporate Profile
Results Review
Business Prospect





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

Corporate Profile

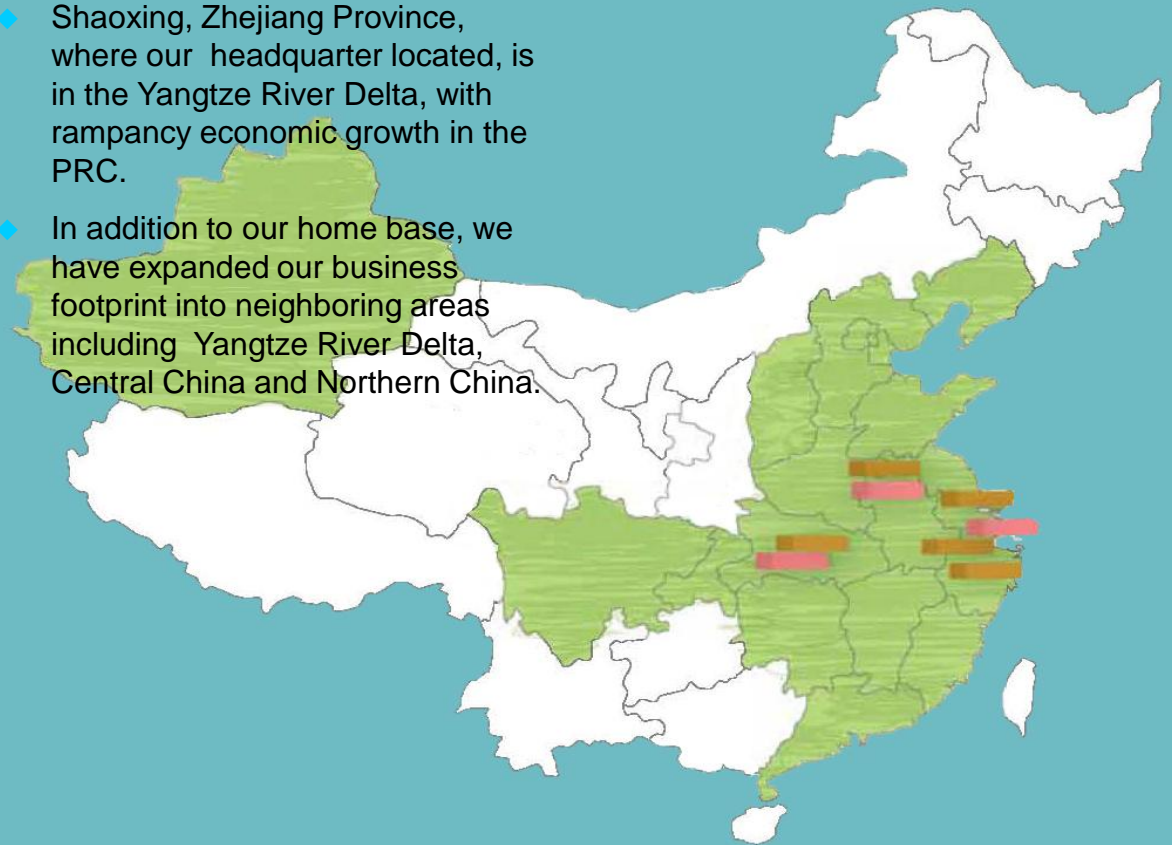




Corporate Profile - Business Network



- ◆ Shaoxing, Zhejiang Province, where our headquarter located, is in the Yangtze River Delta, with rampancy economic growth in the PRC.
- ◆ In addition to our home base, we have expanded our business footprint into neighboring areas including Yangtze River Delta, Central China and Northern China.





Corporate Profile - Business Network

Baoye Group Company Limited

Construction Business

- Zhejiang
- Shanghai
- Jiangsu
- Anhui
- Hubei
- Hunan
- Beijing
- Tianjing
- Shanxi
- Guangdong
- Hebei
- Henan
- Shandong
- Liaoning
- Sichuan
- Chongqing
- Xinjiang
- Jiangxi
- Fujian
- Africa

Property Development Business

- Zhejiang
- Hubei
- Shanghai
- Anhui
- Henan

Building Materials Business

- Zhejiang Building Materials
- Anhui Building Materials
- Hubei Building Materials
- Shanghai Building Materials



Corporate Profile - Business Structure

Baoye Group Company Limited

<i>Construction Business</i>
- Government and Public Buildings
- Urban Facilities and Infrastructure
- Commercial Buildings
- Residential Buildings
- Industrial Buildings
- Electrical and Electronic Buildings
- Fireproof Facilities
- Curtain Wall Installation

<i>Property Development Business</i>			
- Shaoxing	Baoye Four Seasons Garden"	- Shaoxing	Daban green garden
- Shaoxing	Xialv Project·Yunxili	- Lishui	Huajie Fengqing
- Shanghai	Baoye Active Hub	- Wuhan	Xingyu Fu
- Mengcheng	Binhu Green Garden	- Mengcheng	Shidai Green Garden
- Jieshou	Fuxing Jiayuan	- Taihe	Baoye City Green Garden
- Taihe	Yinhe Green Garden	- Taihe	Jiangnan Fu
- Kaifeng	Baoye Longhu Yucheng	- Lu'an	Baoye Junyue Green Garden
- Zhengzhou	Zhengzhou Project	- Sixian	Sizhou Green Garden

<i>Building Materials Business</i>
- Curtain Wall
- Ready-mixed Concrete
- Furnishings and Interior Decorations
- Wooden Products and Fireproof Materials
- PC Assemble boards
- Others



Corporate Profile - Business Structure

Baoye Group Company Limited

Construction Business

- ◆ No limit on tendering bids because of premier license and as one of the pilot enterprise of EPC in Zhejiang Province, three subsidiaries hold the premier license.
- ◆ Strong revenue growth supported by steady order volume growth

Property Development Business

- ◆ Enjoys a higher quality of products and services in the industry due to synergistic effect resulting from excellent construction and building materials, as well as the technology and brand advantages of housing industrialization
- ◆ Quality land bank accumulated at low cost over the past years, ensure property development business' profit and capability of risk resistance

Building Materials Business

- ◆ Pioneer of housing industrialization in the PRC with the capability of research, design, construction, manufacture and operation of industrialized construction, aiming to become the industry standard setter
- ◆ Building Materials Industrial Parks in Zhejiang Province, Anhui Province, Hubei Province and Shanghai, businesses extended to Yangtze River Delta and Central China



Corporate Profile

- ◆ With over 40 years of industry experience, the Group has successfully developed into a vertically integrated enterprise comprising of construction, property development and construction industrialisation building materials, and growing up from a regional company to a nationwide one.
- ◆ An H Share company listed on the main board of HKEx since June 2003. The first vertically integrated construction enterprise of mainland listed in Hong Kong.
- ◆ 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.





Shareholders

Corporate Profile

<i>As at 30 June 2020</i>	<i>No. of shares</i>	<i>% of total</i>
Domestic Shares		
Mr. Pang Baogen (Chairman)	193,753,054	34.43%
Senior Management (33 persons)	156,988,999	27.90%
	350,742,053	62.34%
H Shares		
Wu Xueqin	29,304,000	5.21%
Zhu Yicai (Note 1)	29,304,000	5.21%
Others	182,618,000	32.46%
	211,922,000	37.66%
Total	562,664,053	100%

1. Mr. Zhu Yicai, the spouse of Ms. Wu Xueqin, is deemed to be interested in 29,304,000 H shares.



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Results Review

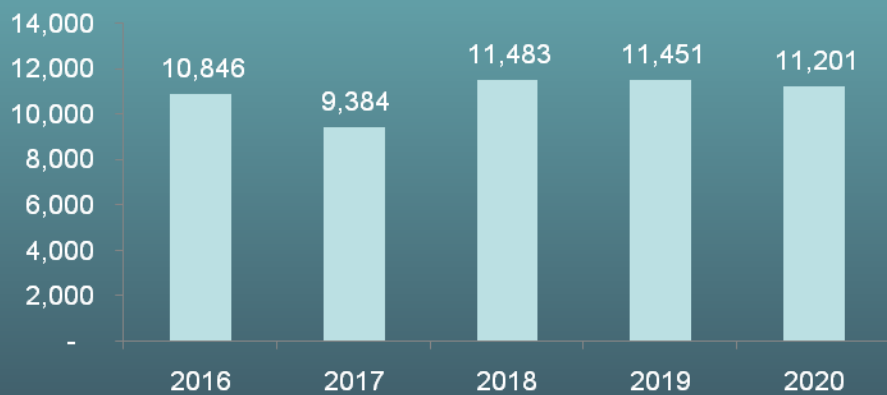




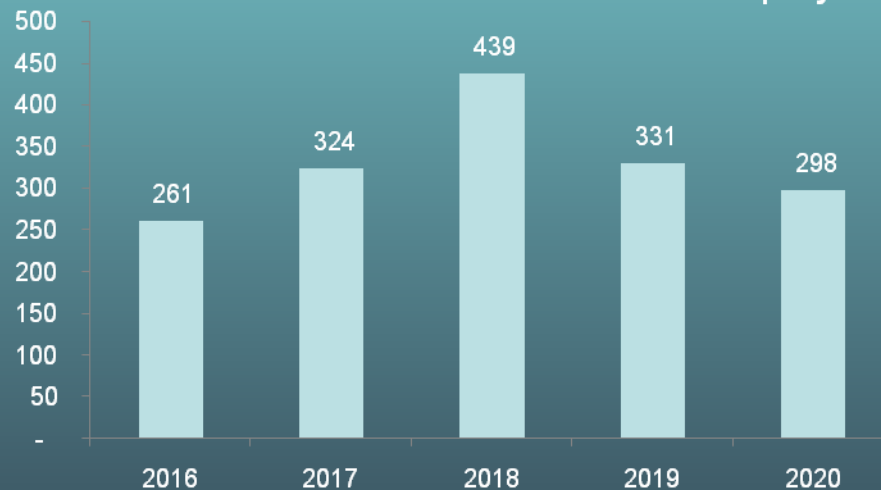
Results Review

For the six months ended 30 June
RMB million

Revenue



Profit Attributable to the Owners of the Company

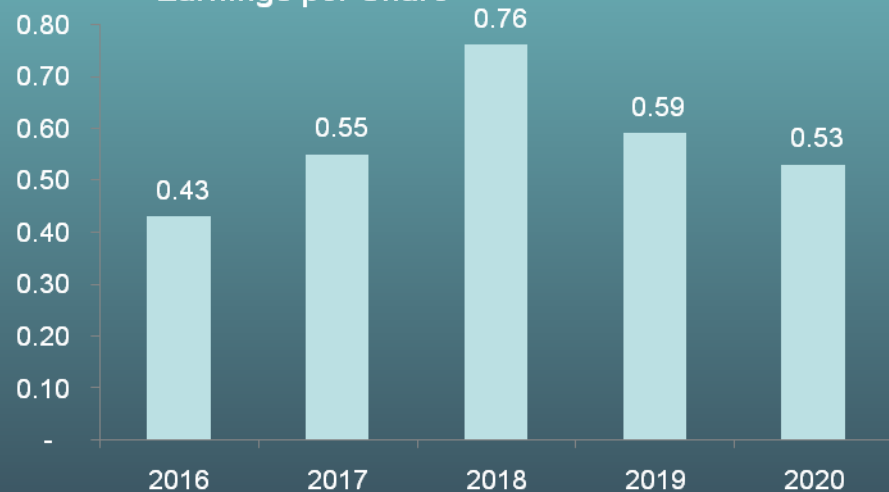




Results Review

For the six months ended 30 June
RMB

Earnings per Share



Net Assets Value per Share

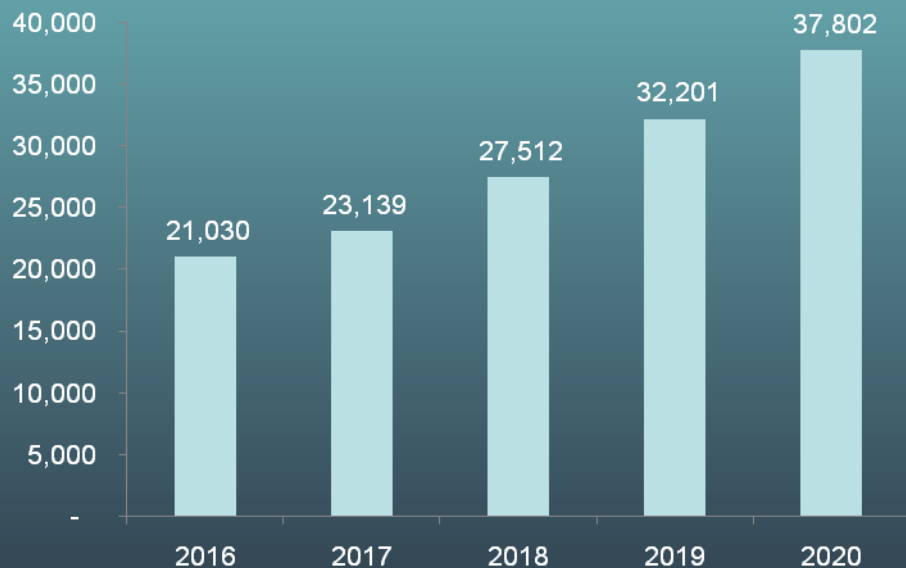




Results Review

For the six months ended 30 June
RMB million

Total Assets



Total Equity



Total Liabilities





Summary



Results Review

As at 30 June
RMB million

	2020	2019	Change
Revenue	11,202	11,451	-2%
Profit attributable to the owners of the Company	298	331	-10%
Earnings per share (RMB)	0.53	0.59	-10%





Turnover



Results Review

For the six months ended 30 June
RMB million

	2020	2019	Change
Construction	9,065	9,088	0%
Property Development	926	724	28%
Building Materials	1,066	1,482	-28%
Others	145	157	-7%
Total	11,201	11,451	-2%



Operating Profit

For the six months ended 30 June
RMB million

	2020	2019	Change
Construction	250	227	10%
Property Development	336	259	29%
Building Materials	19	39	-53%
Others	3	21	-86%
Total	607	546	11%



*Results
Review*





Operating Profit Margin

For the six months ended 30 June

	2020	2019	Change
Construction	2.8%	2.5%	-10%
Property Development	36.3%	35.8%	1%
Building Materials	1.8%	2.6%	-31%



*Results
Review*





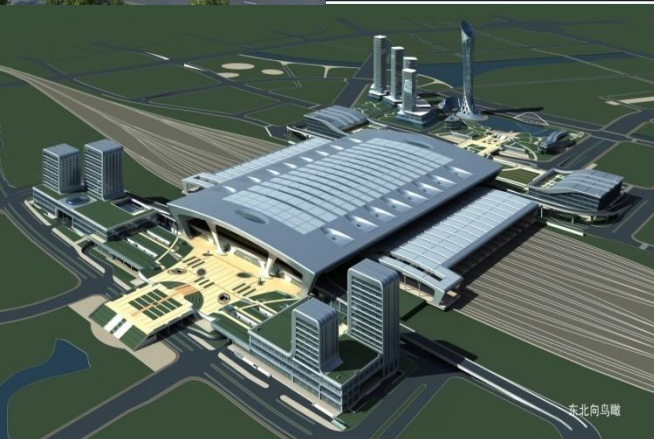
Key Financial Ratio



Results Review

As at 30 June

	2020	2019
Return on equity	3.14%	3.82%
Net assets value per share (RMB)	16.86	15.41
Net cash ratio	11%	26.8%
Current ratio	1.24	1.19



Business Structure

Results Review

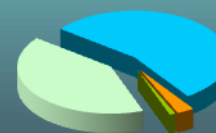
Revenue and profit breakdown by business segments

	Revenue	Profit
Construction	81%	41%
Property Development	8%	55%
Building Materials	10%	3%
Others	1%	1%

Revenue



Profit



■ Construction ■ Property Development ■ Building Materials ■ Others

Property Development – projects under development



Results Review



<i>Property Name</i>	<i>Location</i>	<i>Equity Interest of the Group</i>	<i>Total Floor Area Under Development (Sqm)</i>
Baoye Four Seasons Garden	Shaoxing	100%	300,000
Daban Green Garden	Shaoxing	100%	145,700
Xialv Project.Yunxili	Shaoxing	60%	Under Planning
Huajie Fengqing	Lishui	100%	260,363
Baoye Active Hub	Shanghai	100%	94,722
Xingyu Fu	Wuhan	100%	259,056
Binhu Green Garden	Mengcheng	100%	201,572
Shidai Green Garden	Mengcheng	60%	Under planning
Fuxing Jiayuan	Jieshou	100%	467,293
Baoye City Green Garden	Taihe	55%	95,770
Yinhe Green Garden	Taihe	51%	209,185
Jiangnan Fu	Taihe	100%	50,247
Baoye Longhu Yucheng	Kaifeng	60%	300,598
Baoye Junyue Green Garden	Lu'an	100%	129,665
Zhengzhou Project	Zhengzhou	51%	Under planning
Sizhou Green Garden	Sixian	51%	217,323

Property Development - Projects in Zhejiang



Results Review

- ◆ Baoye Four Seasons Garden is located in Kuaijishan Tourist Resort, a provincial tourist resort in Zhejiang Province. With historical culture and spectacular scenery, the area is where ancient civilisation flourished. Other than its profound cultural tradition and being the origin of many myths and folklores, the area also has a large number of historical heritages. Being only 5 kilometres from the downtown of Shaoxing City, it is known as the “natural treasure in the heart of a city”. Baoye Four Seasons Garden has a site area of approximately 1,050,000 square metres and a planned gross floor area of approximately 650,000 square metres for the development of deluxe villas, semi-detached villas, garden villas and terraces. It also contains a series of supporting projects including a golf club, a five-star resort hotel, two parks with artificial mountains, a sport park, a shopping arcade, kindergarten and a central lakeside garden. Construction of Phase I had been completed and parts of units remain unsold. Phase I still remains a few spare houses for sale. Phase II of approximately 300,000 square meters is currently under planning. The presales of the first phase of terrace house have begun and are in good condition.



Property Development - Projects in Zhejiang



Results Review

- ◆ Daban Green Garden, located in Keqiao District, Shaoxing City, Zhejiang Province, has a site area of 80,945 square meters and a plot ratio of 1.8. The above ground building area is about 145,700 square metres, and the underground building area is about 100,000 square metres. The project will be built in a prefabricated method and fully and well decorated. The project is very close to the Banhu Lake and the railway station of Hangzhou and Shaoxing. It enjoys well-developed facilities of convenient transportation, scenic environment, hospitals, schools and shopping malls. The project will be a landmark of residential building in the Banhu area of Keqiao. Sales began in May 2020 and are in good condition.
- ◆ Xialv Project consists of three separate parcels of land with a total cost of RMB511,036,354 and a total land site area of 262,862 square meters, pursuant to which the Group is interested in 60%. The Group acquired the land use rights through public auction in 2017. As of now, one of the three parcels of land, Baoye Yunlixu, is under planning.



Property Development - Projects in Zhejiang



Results Review

- ◆ Baoye Huajie Fengqing is located in Liandu District, Lishui City, Zhejiang Province. It covers an area of 95,794 square meters and has a total building area of 260,363 square meters. The residential area is 165,516 square meters of which about 106,563 square meters will be repurchased by the government. The plot ratio is 1.88. The remaining 58,790 square meters are owned by the Group and presale has begun in October 2019 and has been satisfactory.



Property Development - Projects in Shanghai



Results Review

- ◆ Baoye Active Hub, located at the south of Guanyun Road, Qingpu District, Shanghai City, is very close to the Dianshanhu Road Station of Line 17. The project has a site area of approximately 38,649 square meters, and a gross floor area of approximately 94,722 square meters with a plot ratio of 1.5. The Group acquired this parcel of land use rights at a total consideration of RMB913,630,000 in September 2019. This project has residential and commercial parts, and is positioned as a construction art respecting to architecture and facing the future. The project will be built as a landmark with green, healthy, intelligent, civilized and artificial and artistic characteristics. The residential part of the project is now under construction and presale will start in the second half of 2020.





Property Development - Projects in Hubei



Results Review

- ◆ Xingyu Fu project, located in Xinzhou District, Wuhan City, Hubei Province, has a total land area of 129,528 square meters and planned building area of approximately 259,056 square metres. The Group acquired this parcel of land use right in December 2017 at a consideration of RMB780 million. Presale has begun at the end of 2019.





Property Development - Projects in Anhui



Results Review

- ◆ Binghu Green Garden, located in Mengcheng County, Anhui Province, was acquired through public auction at a total consideration of RMB366 million, has a total land area of 78,640 square meters and gross floor area of 201,572 square meters of high-rise residential buildings, garden houses, townhouses and commercial housing. The project has started its presale in the second half of 2019.
- ◆ Mengcheng Shidai Green Garden is located in Mengcheng County, Anhui Province. A subsidiary company of the Group procured this site, having a total of 58,796.75 square metres, through public auction at a total consideration of RMB190 million. The project is currently under the planning stage.
- ◆ Baoye Fuxing Jiayuan, located in Jieshou City, Fuyang City, Anhui Province, has a total site area of 172,656 square meters and a total gross floor area of 467,293 square meters. The Group acquired this parcel of land use right in June 2018 by public auction at a total consideration of RMB370,348,000. The project has commenced its construction works and is expected to be delivered in 2020. The project will be repurchased by the local government upon completion.



Property Development - Projects in Anhui



Results Review

- ◆ Baoye Taihe City Green Garden is located in Taihe County, Anhui Province with a total gross floor area of 420,000 square metres, comprising of unique and niche residential units, elegance shopping arcade, an international bilingual kindergarten and high-end swimming pool facilities. Personalized and scientific design in dividing motor vehicle flow and pedestrian flow enable residents to enjoy quality and comfortable living. The project is closed to an ecofriendly park with rich community facilities, which sets the new generation in the City. The project will be developed in four phases, and all four phases have been delivered to owners. In January 2019, The Company further acquired approximately 9,662 square meters of land use rights adjacent to the west side of the project at a total consideration of RMB25.94 million for the development of the fifth phase with plot ratio not more than 2.2 times. The fifth phase is expected to be delivered in 2021.
- ◆ Yinghe Green Garden is located in Taihe County, Anhui Province. The total area of the project is approximately 63,544.70 square meters, the total building area is approximately 209,185.24 square meters, and the total number of houses is approximately 1,406, of which approximately 1,000 are resettlement houses. The project will be constructed using prefabricated concrete. The project is currently under planning.





Property Development - Projects in Anhui



Results Review

- ◆ Jiangnan Fu is located in Taihe County, Anhui Province. In June 2020, a subsidiary of the Group acquired the land use right of the project through public auction. The project covers an area of approximately 29,577.3 square meters with a plot ratio of 1.7 times. At present, the project is still under the stage of soliciting land title and certificate.
- ◆ Baoye Junyue Green Garden is located in Lu' an city, Anhui Province. The Group bided the project through judicial auction in September 2017, having a total of approximately 54,220 gross square meters and built up areas of approximately 129,665 square metres, in which approximately 7,220 square metres are under development. The project is surrounded by welldeveloped facilities, convenient transportation with green parks, banks and shopping malls. The project will be developed in two phases. In February 2019, the project acquired a further land use right on the west end side of this project with a total land area of approximately 11,947 square meters, which is currently under presale.



Property Development - Projects in Anhui



Results Review

- ◆ Sizhou Green Garden, located in the Economic Development Zone of Sixian County, Suzhou City, Anhui Province. In May 2019, the Group acquired the land parcel A and B of the project at a total consideration of RMB113.5 million through public auction, having a total area of approximately 46,888 square meters and gross floor area of approximately 124,907 square meters. In April 2020, the land parcel C of the project was acquired at a total consideration of RMB107,120,000 through public auction, having a total area of approximately 42,007.45 square meters. The Group holds a 51% equity stake in this project. This project is surrounded by well-developed facilities, convenient transportation and matching education resources. The project has been under presale at the beginning of 2020 and is expected to be delivered in 2021.



Property Development - Project in Henan



Results Review

- ◆ Baoye Longhu Yucheng is located in a prime area of Eastern New City, Kaifeng County, Henan Province. It has a total site area of approximately 648,000 square metres and an estimated gross floor area of approximately 972,000 square metres. After completion, it will become the city's new business centre and leisure centre. The project will be developed in 5 phases. Nearly 100,000 square meters of Phase I was delivered to the owner, and the remaining 70,000 square meters are under construction and will be delivered by the end of 2020. Phase II of about 140,000 square meters is in the presale stage. Phase III is currently under construction.
- ◆ Zhengzhou Project, with a total site area of 336,776 square meters, located in Zhengzhou City, Henan Province. The Group acquired the land use right in November 2018 at a consideration of RMB184,662,013. The project is in Jianshan Tourist Resort Zone, Xinmi City, Zhengzhou City, with convenient transportation, spectacular scenery and historical culture. At present, land No.2 has begun construction.



Newly-acquired Land Reserves



Results Review

<i>Time table</i>	<i>Location</i>	<i>Cost (RMB'000)</i>	<i>Land area (Sqms)</i>	<i>Equity</i>
April, 2020	Sixian County, Suzhou City, Anhui Province	107,120	42,007.45	51%
April, 2020	Mengcheng County, Bozhou City, Anhui Province	190,000	58,796.75	60%
June, 2020	Taihe County, Fuyang City, Anhui Province	110,925	29,577.30	100%

Building Materials

Results Review

Revenue of the building materials for the six months ended 30 June

	2020 RMB'000	% of the total	2019 RMB'000 (Restated)	% of the total	Change
Curtain Wall	484,704	45%	588,030	40%	-18%
Furnishings and Interior	80,146	7%	143,095	10%	-44%
Ready-mixed Concrete	348,436	33%	500,017	34%	-30%
PC Assembly Plate	60,204	6%	134,948	9%	-55%
Wooden Products and	39,938	4%	51,019	3%	-22%
Steel Structure Decorations	20,738	2%	27,865	2%	-26%
Others	31,510	3%	36,868	2%	-15%
Total	1,065,676	100%	1,481,842	100%	-28%



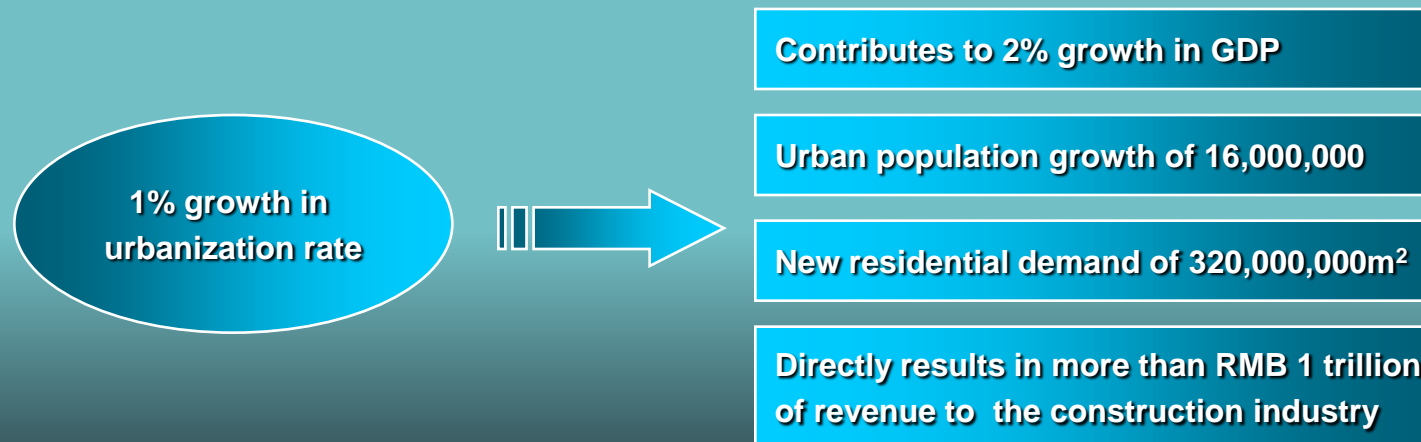
寶業集團股份有限公司 BAOYE GROUP COMPANY LIMITED

Business Prospects



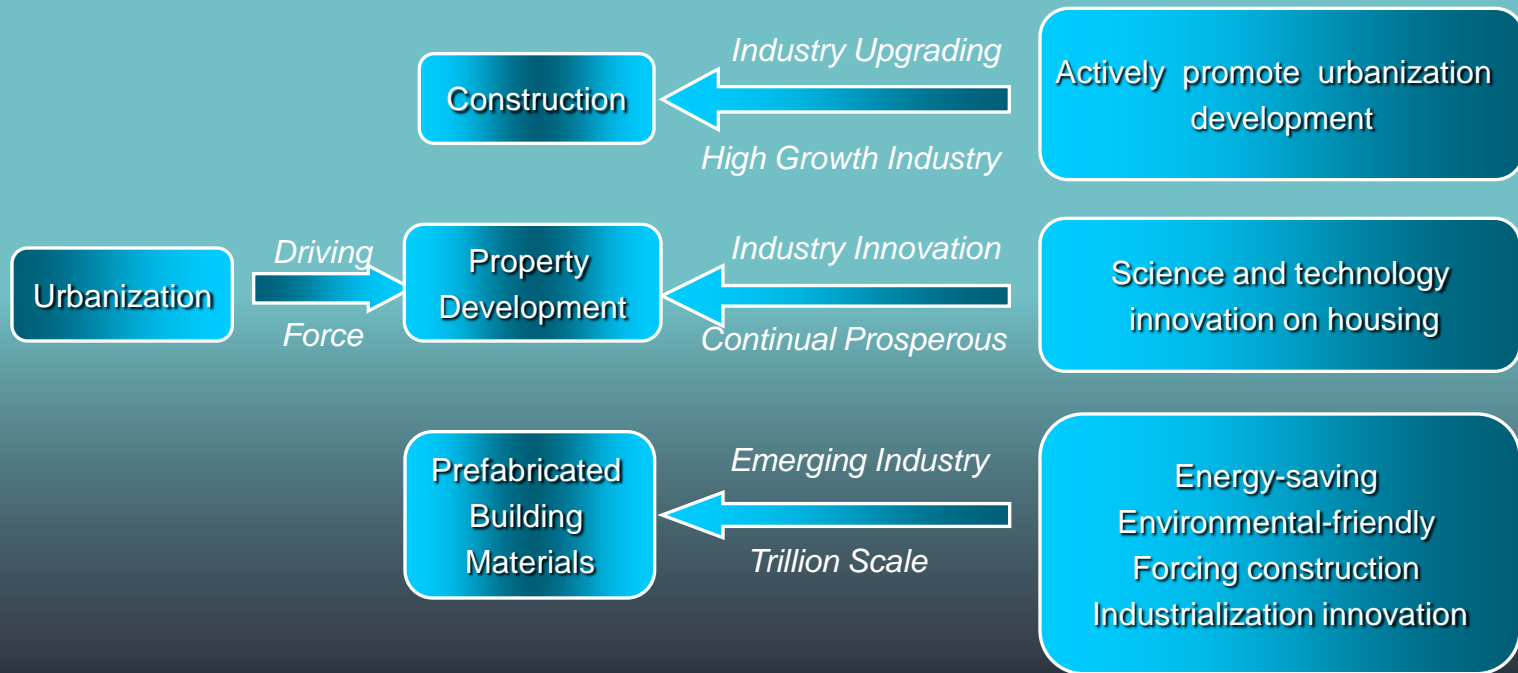
Urbanization in China

- ◆ The acceleration of the process of urbanization brought enormous development opportunities for each of the three major businesses of Baoye.



Urbanization in China


Driving force for construction growth in China - urbanization



Construction Business



Business Prospects



Premium class certification for general building construction and one of the pilot enterprise of EPC in Zhejiang Province

Business network :
strengthen the existing market
and explore new market

Project nature :
Most of markets of infrastructure
governments invested

Business operation model :
adopt new contracting model,
of BT and promote the EPC, PPP

Construction technology:
energy-saving and
green construction



Property Development Business



Business Prospects

- ◆ The Group will continue to position its market in second and third tier cities in Hubei, Anhui and Henan;
- ◆ Under the background of new urbanization construction, the Group will pay more attention to new property development model, such as small cities created by the urbanization reform policy, new rural countries, senior homes, community properties and commerce complex in town;
- ◆ The Group preserves its land bank with good location, appropriate size, reasonable cost and appreciation potential under its prudent policy.

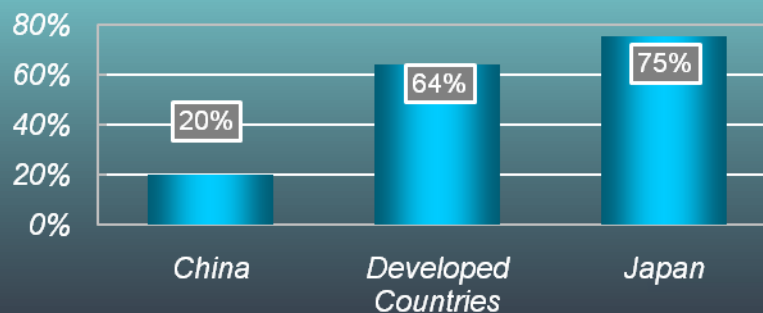


Prefabricated Building Materials Business



Business 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 RMB in the coming years.





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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- ◆ The information in the presentation is for informational purposes only. This is not an offer to subscribe shares in Baoye.



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