



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



Results Review and Prospects

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

Corporate Profile

Results Review

Business Prospects





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Corporate Profile

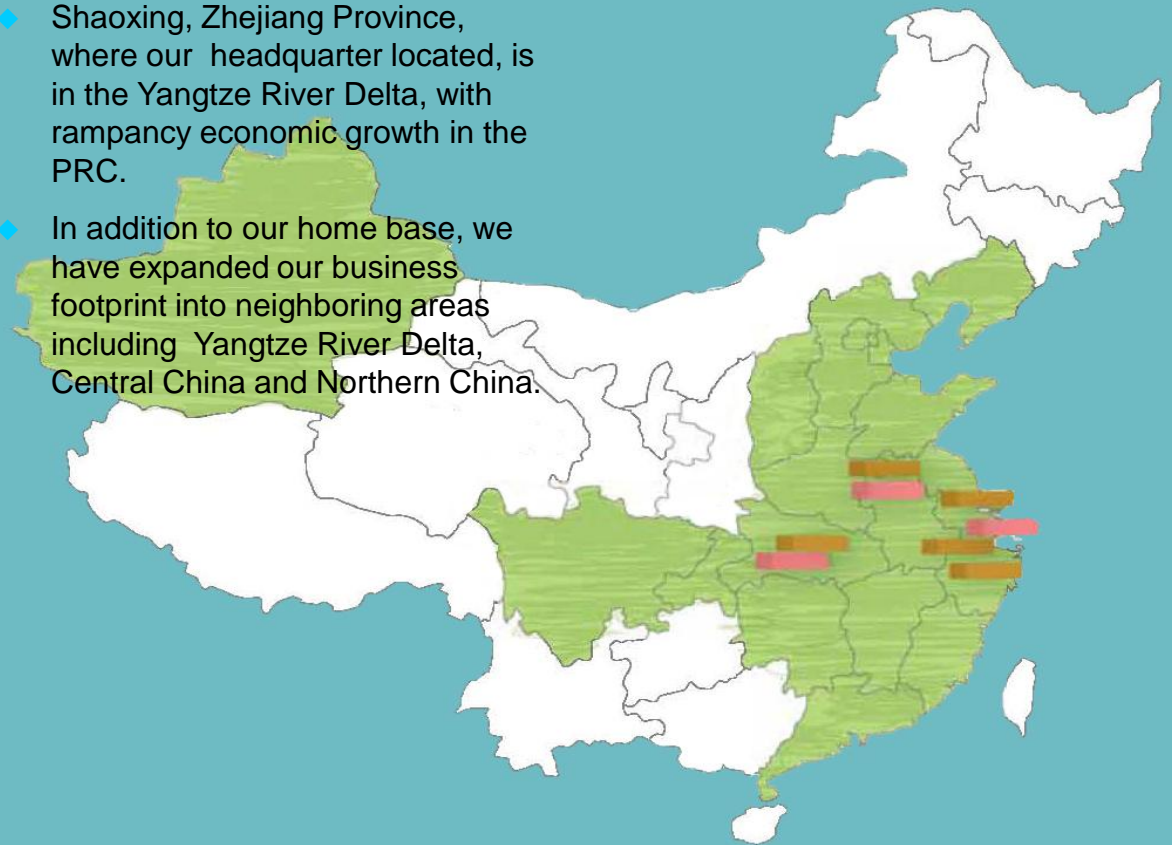




Corporate Profile - Business Network



- ◆ 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
- Hebei
- Henan
- Shandong
- Shanxi
- Liaoning
- Sichuan
- Chongqing
- Xinjiang
- Jiangxi
- Fujian
- Guangdong
- Africa

Property Development Business

- Zhejiang Province
- Shanghai
- Hubei Province
- Anhui Province
- Henan Province

Building Materials Business

- Zhejiang Building Materials Industrial Park
- Anhui Building Materials Industrial Park
- Hubei Building Materials Industrial Park
- Shanghai Building Materials Industrial Parks
- Jiangsu Building Materials Industrial Parks



Corporate Profile - Business Structure

Baoye Group Company Limited

Construction Business

- Government and Public Buildings
- Urban Facilities and Infrastructure
- Commercial Buildings
- Residential Buildings
- Industrial Buildings
- Electrical and Electronic Buildings
- Fireproof Facilities
- Curtain Wall Installation

Property Development Business

- | | |
|---|--|
| - Shaoxing
"Baoye Four Seasons Garden" | - Jieshou
"Fuxing Jiayuan" |
| - Shaoxing
"Daban Green Garden" | - Taihe
"Baoye City Green Garden" |
| - Shaoxing
"Xialv Projece" | - Taihe
"Yinhe Green Garden" |
| - Ningbo
"Phoenix One" | - Taihe
"Jiangnan Fu" |
| - Shanghai
"Active Hub" | - Kaifeng
"Baoye Longhu Yucheng" |
| - Lishui
"Huajie Fengqing" | - Lu'an
"Baoye Junyue Green Garden" |
| - Wuhan
"Xingyufu" | - Zhengzhou
"Zhengzhou Project" |
| - Mengcheng
"Binhu Green Garden" | - Sixian
"Sizhou Green Garden" |
| - Mengcheng
"Shidai Green Garden" | |

Building Materials Business

- Curtain Wall
- Ready-mixed Concrete
- Furnishings and Interior Decorations
- Wooden Products and Fireproof Materials
- PC Assembly Plates
- 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 enterprises of EPC in Zhejiang Province and a total of three premier license companies
- ◆ 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
- ◆ Widely dispatched Construction Industrialization bases in Zhejiang, Anhui, Hubei, Shanghai and Jiangsu, etc, laid a good foundation for the construction industrialization business development in the future.



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 prefabricated 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 31 March 2021</i>	<i>No. of shares</i>	<i>% of total</i>
Domestic Shares		
Mr. Pang Baogen (Chairman)	193,753,054	34.43%
Senior Management	156,988,999	27.90%
	350,742,053	62.33%
H Shares		
Wu Xueqin	29,304,000	5.21%
Zhu Yicai (Note 1)	29,304,000	5.21%
Others	182,618,000	32.46%
	235,468,000	37.67%
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 through its controlled corporations, namely Top Easy Holding Limited and Star Ruby Overseas Ltd.



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Results Review

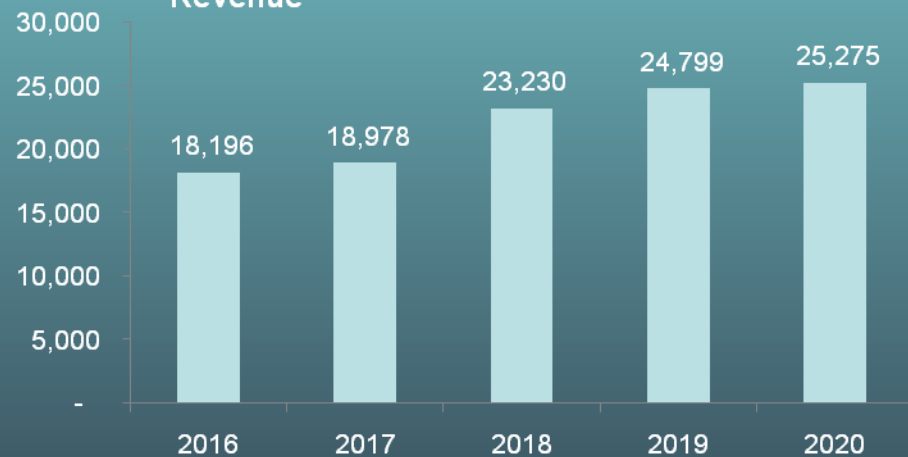




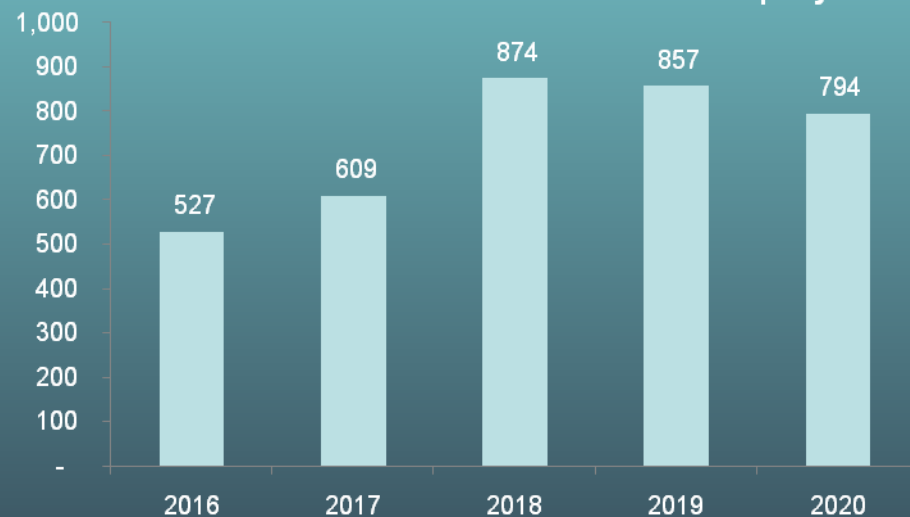
Results Review

For the year ended 31 December
RMB million

Revenue



Profit Attributable to the Owners of the Company

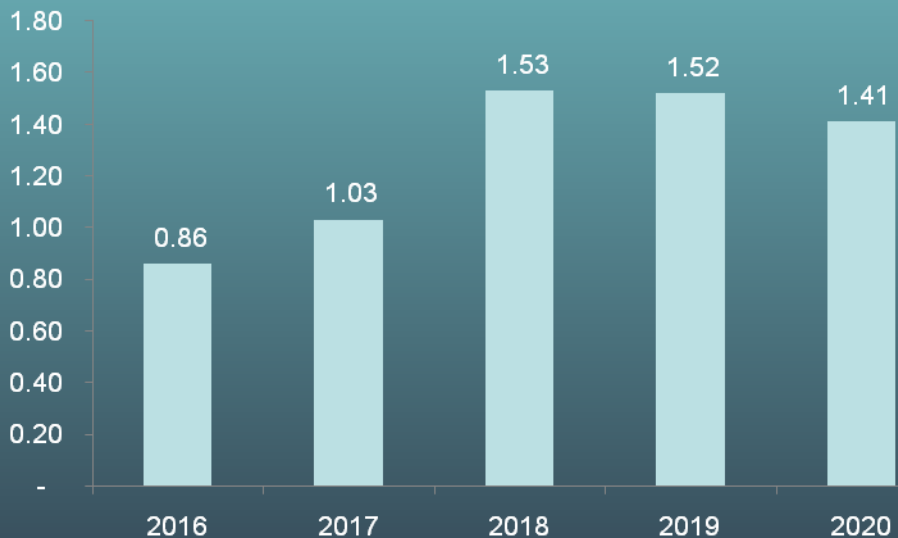




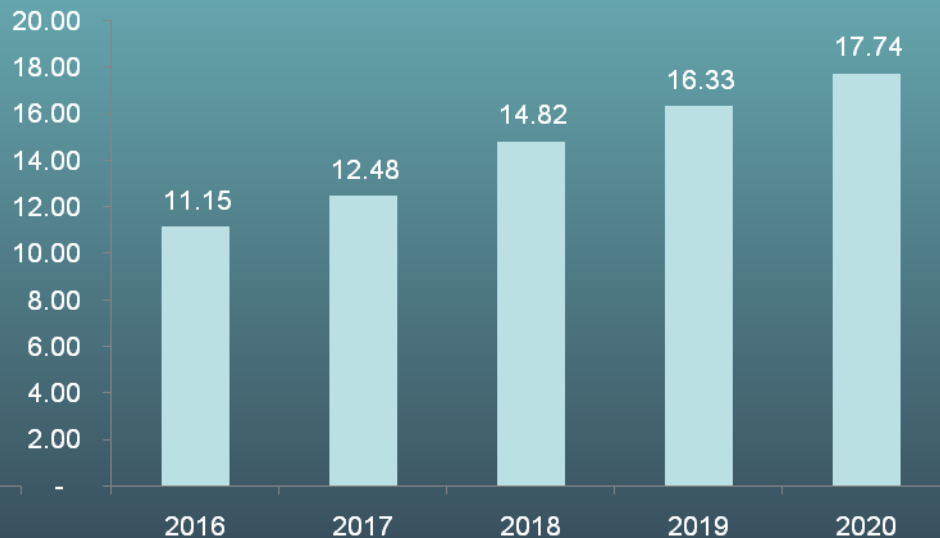
Results Review

For the year ended 31 December
RMB

Earnings per Share



Net Assets Value per Share

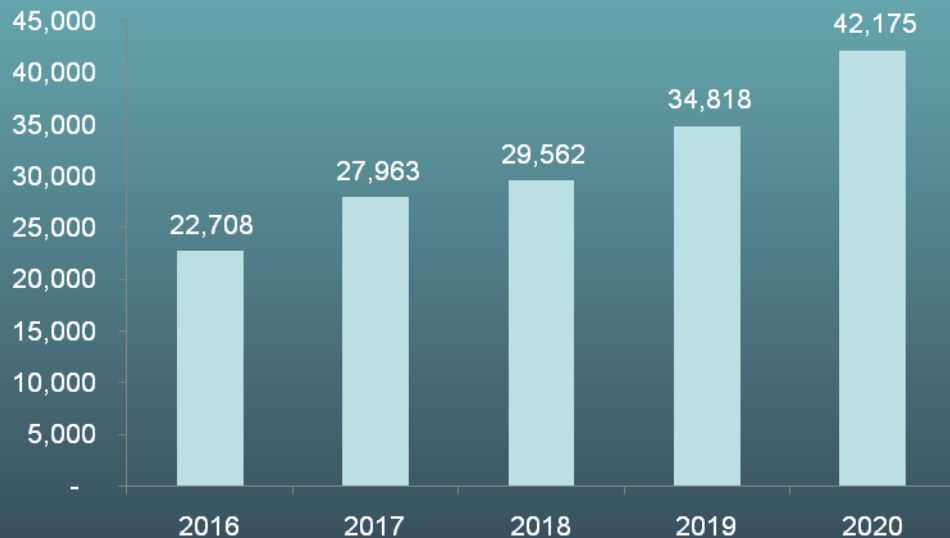




Results Review

For the year ended 31 December
RMB million

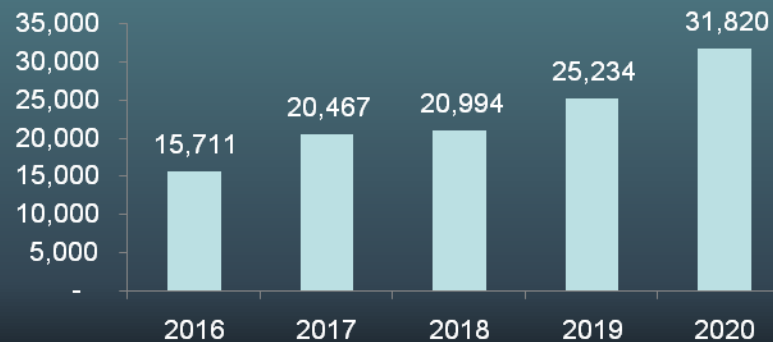
Total Assets



Total Equity



Total Liabilities

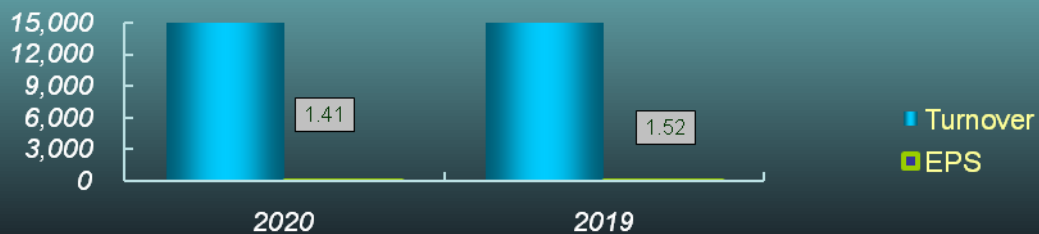


Summary

For the year ended 31 December
RMB million

	2020	2019	Change
Revenue	25,275	24,799	1.9%
Profit attributable to the owners of the Company	794	857	-7.3%
Earnings per share (RMB)	1.41	1.52	-7.2%

Results Review






Turnover



Results Review

For the year ended 31 December
RMB million

	2020	2019	Change
Construction	20,433	19,030	7%
Property Development	1,972	2,089	-6%
Building Materials	2,486	3,203	-22%
Others	384	477	-20%
Total	25,275	24,799	2%



Operating Profit



Results Review

For the year ended 31 December
RMB million

	2020	2019	Change
Construction	545	467	17%
Property Development	725	757	-4%
Building Materials	110	156	-29%
Others	12	103	-89%
Total	1,392	1,484	-6%

Operating Profit Margin



Results Review

For the year ended 31 December

	2020	2019	Change
Construction	2.7%	2.5%	7%
Property Development	36.8%	36.2%	1%
Building Materials	4.4%	4.9%	-9%
Others	3.1%	21.6%	-86%

Business Structure

Results Review

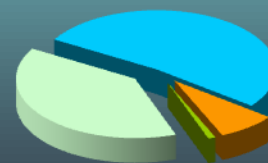
Revenue and profit breakdown by business segments

	<i>Revenue</i>	<i>Profit</i>
Construction	81%	39%
Property Development	8%	52%
Building Materials	10%	8%
Others	1%	1%

Revenue



Profit



■ Construction ■ Property Development ■ Building Materials ■ Others



Key Award projects



Results Review



<i>Projects Name</i>	<i>Awards</i>
Jiangxi Hangxin Edifice	Luban Award
Xinggang Edifice Project	National Quality Project
Yanhu Shanzhuang Primary School in Hefei High-tech Distirct	Mount Huang Cup
Wuhan Baoye Center	High-quality Construction Projects of Hubei Province
Science and Technology Exchange Center of No. 701 Research Institute of China Shipbuilding Industry Corporation	High-quality Construction Projects of Hubei Province
Wuhan Xincheng District Puyuemendi Project	High-quality Construction Projects of Hubei Province



Key Award projects



Results Review

<i>Projects Name</i>	<i>Awards</i>
Hongbo Shiji Shoufu Project	High-quality Construction Projects of Hubei Province
Hangzhou Normal University Cangqian Campus	Qianjiang Cup
Relocation Project of Wenzhou Medical University Renji College	Qianjiang Cup
China Textile City CBD Commercial Center Project	Qianjiang Cup
Xingang Edifice Project	High-quality Construction Projects of Henan Province



Property Development – properties under development



Results Review

<i>Property Name</i>	<i>Location</i>	<i>Equity Interest of the Group</i>	<i>Construction Area (Sqm) under development</i>
Baoye Four Seasons Garden	Shaoxing	300,000	100%
Daban Green Garden	Shaoxing	145,700	100%
Xialv Project ·Yunxili	Shaoxing	Under Planning	60%
Huajie Fengqing	Lishui	260,363	100%
Baoye Phoenix One	Ningbo	84,005	100%
Baoye Active Hub	Shanghai	94,722	100%
Xingyu Fu	Wuhan	259,056	100%
Binhu Green Garden	Mengcheng	201,572	100%
Shidai Green Garden	Mengcheng	149,994	60%



Property Development – properties under development



Results Review

<i>Property Name</i>	<i>Location</i>	<i>Equity Interest of the Group</i>	<i>Construction Area (Sqm) under development</i>
Fuxing Jiayuan	Jieshou	467,293	100%
Baoye City Green Garden	Taihe	69,793	55%
Yinhe Green Garden	Taihe	209,185	51%
Jiangnan Fu	Taihe	50,247	100%
Baoye Longhu Yucheng	Kaifeng	300,598	60%
Baoye Junyue Green Garden	Lu'an	216,407	100%
Zhengzhou Project Fuxi Town	Zhengzhou	Under Planning	51%
Sizhou Green Garden	Sixian	217,323	51%



Newly-acquired Land Reserves



Results Review

Time	Location	Cost (RMB'000)	Land area (m ²)	Equity
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%
August, 2020	Ningbo City, Zhejiang Province	332,953	26,957.60	100%
November, 2020	Fengxian District, Shanghai	312,000	13,101.60	100%
December, 2020	Yeji District, Lu'an City, Anhui Province	108,640	59,241.00	70%

Building Materials



Results Review

Revenue breakdown

	2020 RMB'000	% of total	2019 RMB'000	% of total	Change
Curtain Wall	1,094,197	44%	1,153,159	36%	-5%
Ready-mixed Concrete	839,222	34%	1,162,318	36%	-28%
Furnishings and Interior Decorations	109,073	4%	212,381	7%	-49%
Wooden Products and Fireproof Materials	81,359	4%	104,874	3%	-22%
PC assembly plate	160,649	6%	362,840	11%	-56%
Steel Structure	30,792	1%	34,325	1%	-10%
Others	171,114	7%	173,193	6%	-1%
Total	2,486,406	100%	3,203,090	100%	-22%



Key Financial Ratios

Financial Review

As at 31 December

	2020	2019
Return on equity	8.0%	9.3%
Net assets value per share (RMB yuan)	17.74	16.33
Net cash ratio	44.5%	18.8%
Current ratio	1.23	1.25



Financial Indicators Analysis

Financial Review

As at 31 December

	2020 RMB'000	2019 RMB'000
Cash and cash equivalents	7,261,532	5,504,968
Term deposits with initial term of over three months	282,157	303,390
Restricted bank deposits	1,553,935	719,015
Less : total borrowings	(4,653,855)	(4,799,689)
Net cash	4,443,769	1,727,684
Total equity attributable to the owner of the Company	9,979,693	9,190,044
Net cash ratio	44.5%	18.8%

Cash Flow Analysis

Financial Review

As at 31 December

	Note	2020 RMB'000	2019 RMB'000
Cash inflow from operating activities	(i)	1,876,779	71,398
Cash (outflow) from investing activities	(ii)	(344,120)	(859,266)
Cash inflow from financial activities	(iii)	235,770	2,594,584
Net increase in cash and cash equivalents		1,768,429	1,806,716
Exchange losses on cash and cash equivalents		(11,865)	-



Cash Flow Analysis



Financial Review

Note:

- i During the year, the net cash inflow from operating activities was approximately RMB1,876,779,000, an increase of approximately RMB1,805,381,000 compared to the net cash inflow of approximately RMB71,398,000 of last year, which was primarily attributable to the good property sales and the substantial increase in collections during the year.
- ii During the year, the net cash outflow from investing activities was approximately RMB344,120,000, a decrease of approximately RMB515,146,000 compared to the net cash outflow of approximately RMB859,266,000 of last year, which was mainly due to the decrease of expenditure in properties, plant and equipment for the construction industrialization bases.
- iii During the year, the net cash inflow from financing activities is approximately RMB235,770,000, a decrease of approximately RMB2,358,814,000 compared to the net cash inflow of approximately RMB2,594,584,000 of last year, which was mainly due to the increase of payback of bank borrowings because of the sufficient cash flow of the Group in 2020.





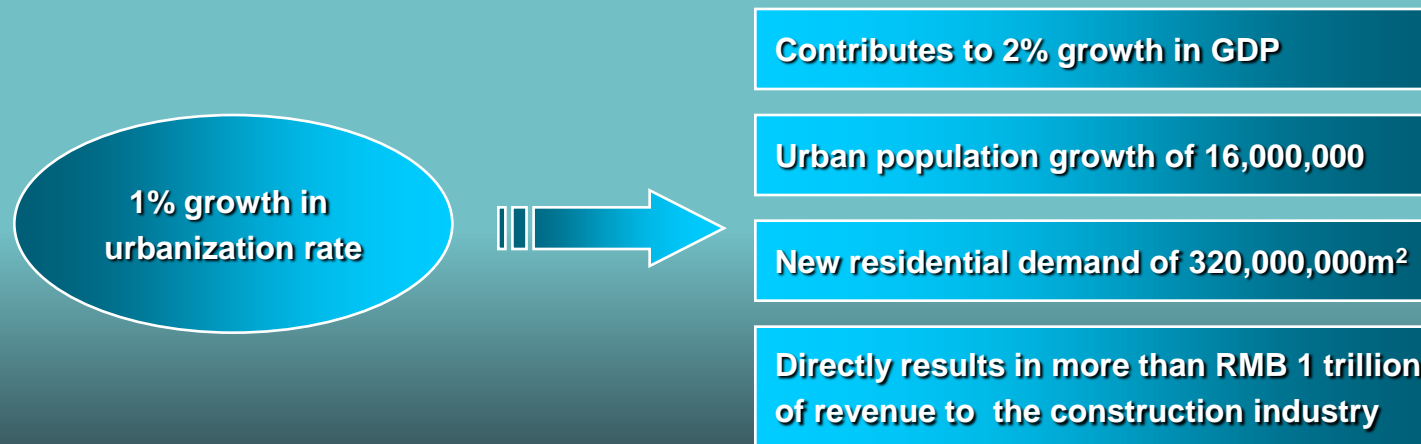
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Business Prospects



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 enterprises 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 and
self-own projects management
system

Construction technology:
energy-saving and
green construction



Property Development Business



Business Prospects

- ◆ The Group will continue to position its market in Zhejiang, Shanghai, Hubei and Anhui;
- ◆ By making full use of the three-in-on business model (construction, property and construction industrialization), the Group will integrate technologies of "energy saving, energy creation and energy storage" and supply more high quality technology housing to the market. ;
- ◆ The Group preserves its land bank with good location, appropriate size, reasonable cost and appreciation potential under its prudent policy.

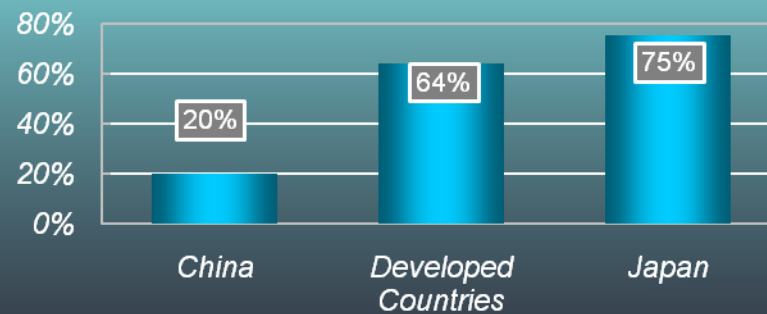


Prefabricated Building Materials Business



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.
- ◆ In addition, Baoye makes these forward-looking statements as of today and undertakes no obligation to update these statements.
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