



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 Prospects*





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# *Corporate Profile*

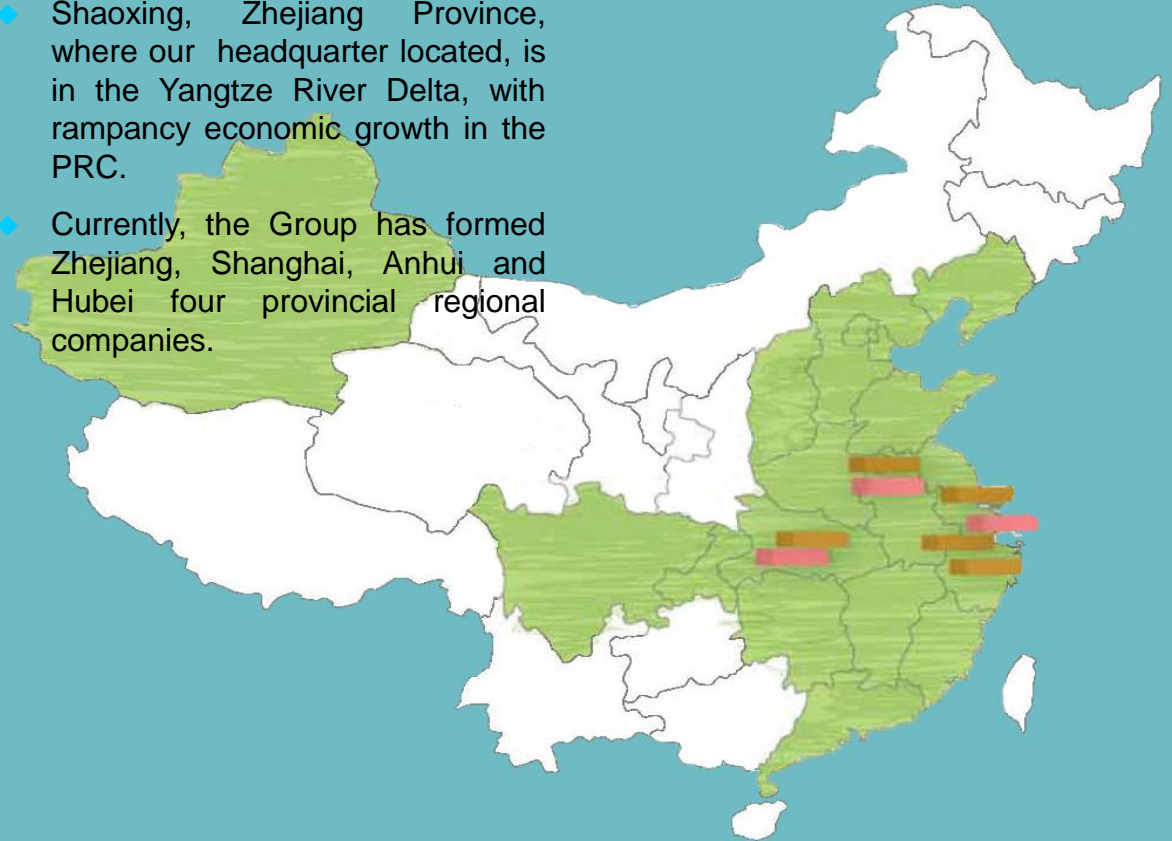




## Corporate Profile - Business Network



- ◆ Shaoxing, Zhejiang Province, where our headquarter located, is in the Yangtze River Delta, with rampancy economic growth in the PRC.
- ◆ Currently, the Group has formed Zhejiang, Shanghai, Anhui and Hubei four provincial regional companies.





## 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
- Shanghai
- Hubei
- Anhui
- Henan

### *Building Materials Business*

- Zhejiang
- Anhui
- Hubei
- Shanghai
- Jiangsu



## 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 "Four Seasons Garden"
- Shaoxing "Yunxili"
- Lishui "Xishan Yueyuan"
- Ningbo "Phoenix One"
- Shanghai "Baoye Active Paradise"
- Wuhan "Huangpi Phoenix City"
- Mengcheng "Binhe Green Garden"
- Taihe "Jiangnan Fu"
- Lu'an "Baoye Junyue Green Garden"
- Sixian "Sizhou Green Garden"
- Lu'an "Yeji Jiangnan Fu"
- Shaoxing "Daban Green Garden"
- Hangzhou "Fengyue Shangzhu"
- Lishui "Weicun Project"
- Shanghai "Baoye Qingchunli"
- Wuhan "Xingyufu"
- Mengcheng "Shidai Green Garden"
- Taihe "Yinghe Green Garden"
- Kaifeng "Baoye Longhu Yucheng"
- Zhengzhou "Zhengzhou Project"
- Sixian "Xuefu Green Garden"
- Bozhou "Qinglan 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
- ◆ Build the “Century-lasting House” brand, and provide the high-quality, high-tech, comfortable and energy-saving housings for the market.

#### *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 2023</i>	<i>No. of shares</i>	<i>% of total</i>
<b>Domestic Shares</b>		
Mr. Pang Baogen (Chairman)	193,753,054	37.21%
Senior Management	156,988,999	30.14%
	<b>350,742,053</b>	<b>67.35%</b>
<b>H Shares</b>		
Wu Xueqin (Note 1)	29,304,000	5.63%
Others	140,710,000	27.02%
	<b>170,014,000</b>	<b>32.65%</b>
<b>Total</b>	<b>520,756,053</b>	<b>100%</b>

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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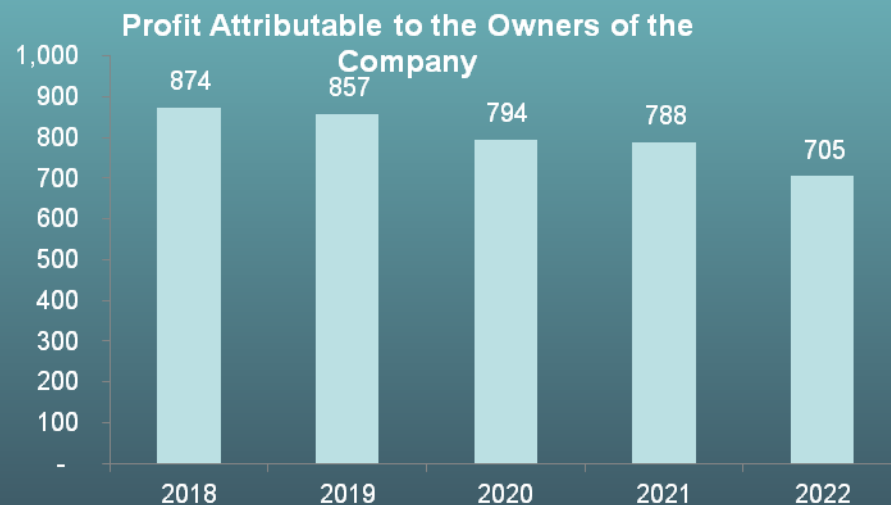
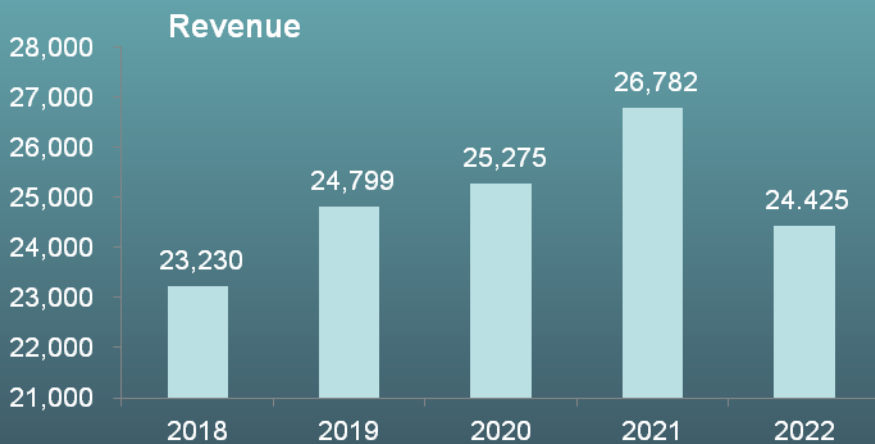
# *Results Review*





## Results Review

For the year ended 31 December  
RMB million

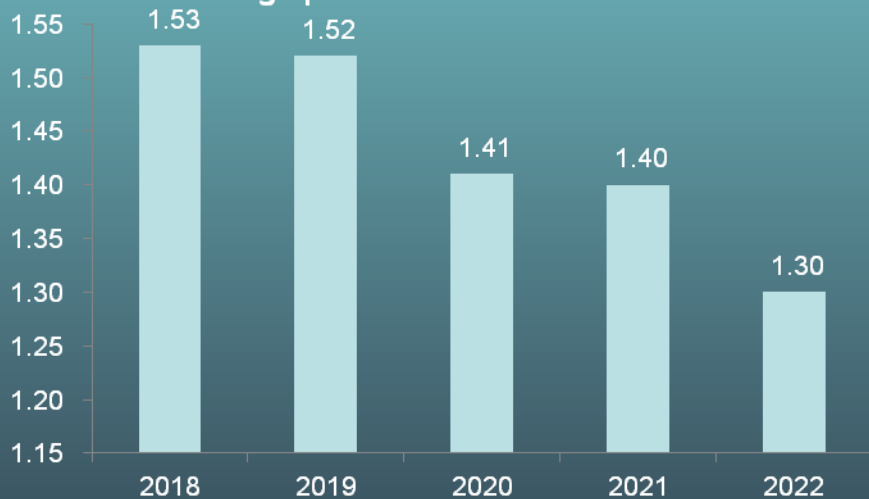




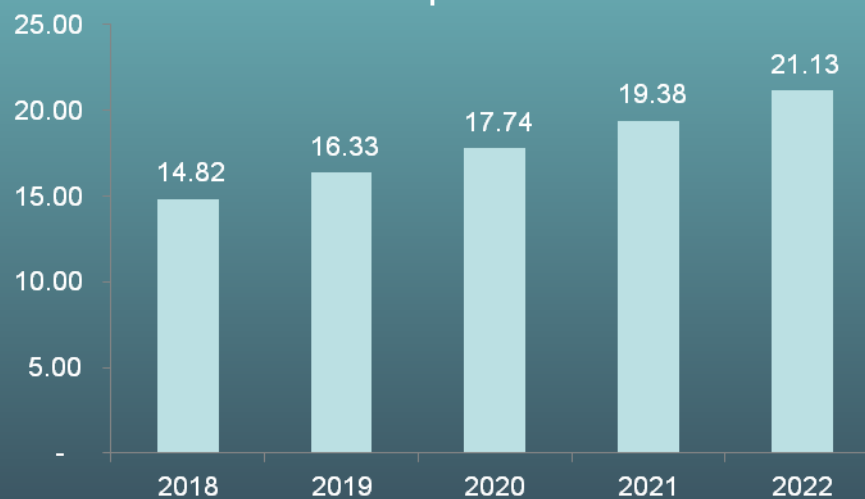
## Results Review

For the year ended 31 December  
RMB

### Earnings per Share



### Net Assets Value per Share

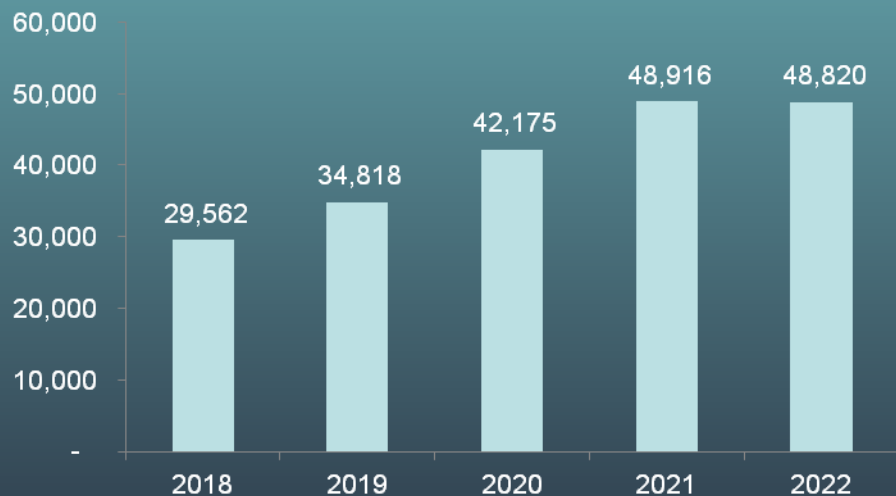




## Results Review

For the year ended 31 December  
RMB million

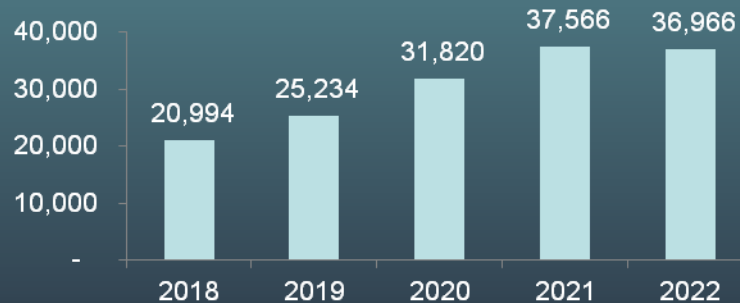
### Total Assets



### Total Equity



### Total Liabilities

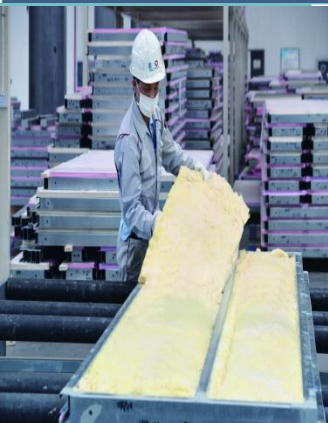
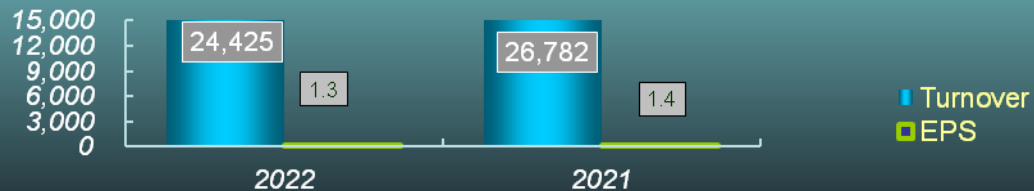


## Summary

For the year ended 31 December  
RMB million

	2022	2021	Change
Revenue	<b>24,425</b>	26,782	-8.8%
Profit attributable to the owners of the Company	<b>705</b>	788	-10.5%
Earnings per share (RMB)	<b>1.30</b>	1.40	-7.1%

## Results Review






## Turnover



## Results Review

For the year ended 31 December  
RMB million

	2022	2021	Change
Construction	17,295	21,640	-20%
Property Development	4,470	2,366	89%
Building Materials	2,320	2,339	-1%
Others	340	437	-22%
<b>Total</b>	<b>24,425</b>	<b>26,782</b>	<b>-9%</b>



## Operating Profit



### Results Review

For the year ended 31 December  
RMB million

	2022	2021	Change
Construction	320	570	-44%
Property Development	607	611	-1%
Building Materials	141	145	-3%
Others	11	20	-45%
<b>Total</b>	<b>1,079</b>	<b>1,346</b>	<b>-20%</b>



## Operating Profit Margin



### Results Review

For the year ended 31 December

	2022	2021	Change
Construction	<b>1.9%</b>	2.6%	-27%
Property Development	<b>13.6%</b>	25.8%	-47%
Building Materials	<b>6.1%</b>	6.2%	-2%
Others	<b>3.2%</b>	4.6%	-30%

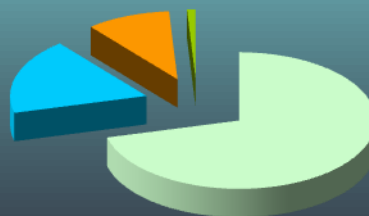
## Business Structure

### Results Review

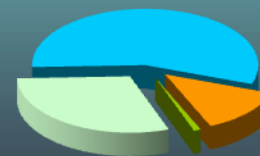
#### Revenue and profit breakdown by business segments

	<i>Revenue</i>	<i>Profit</i>
Construction	71%	30%
Property Development	18%	56%
Building Materials	10%	13%
Others	1%	1%

*Revenue*



*Profit*



■ Construction ■ Property Development ■ Building Materials ■ Others



## Key Award projects



## Results Review



<i>Projects Name</i>	<i>Awards</i>
Ruifeng Bnak Building	Luban Award
Ruifeng Bnak Building	Qianjiang Cup
China Textile Times Building	Qianjiang Cup
Baoye Acitve Paradise	Baiyulan Cup
Xincheng-Puyuemendi	Chutian Cup
Nanshan-Tainyue	High-quality Structure of Hubei Province
Baoyi-Future Changjiang Town	High-quality Structure of Hubei Province
Hefei Childhood Teacher Training 7# Student	High-quality Structure of Hefei City

## 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	257,847	100%
Daban Green Garden	Shaoxing	145,700	100%
Xialv Project ·Yunxili	Shaoxing	214,970	60%
Fengyue Shangzhu	Hangzhou	49,497	100%
Xishan Yueyuan	Lishui	116,905	100%
Lishui Weicun Project	Lisuhi	124,655	100%
Baoye Phoenix One	Ningbo	84,005	100%
Baoye Qingchun Li	Shanghai	36,289	100%






## 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 Active Paradise	Shanghai	65,001	100%
Xingyu Fu	Wuhan	Under planning	100%
Huangpi Phoenix One	Wuhan	102,015	100%
Shidai Green Garden	Mengcheng	149,994	60%
Binhe Green Garden	Mengcheng	Under planning	100%
Yinghe Green Garden	Taihe	209,185	51%
Jiangnan Fu	Taihe	68,654	100%



## 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 Longhu Yucheng	Kaifeng	300,598	60%
Baoye Junyue Green Garden	Lu'an	216,407	100%
Zhengzhou Project	Zhengzhou	Under planning	51%
Sizhou Green Garden	Sixian	115,633	100%
Xuefu Green Garden	Sixian	Under planning	100%
Yeji Jiannan Fu	Lu'an	98,415	70%
Qinglan Green Garden	Bozhou	404,465	51%






## Newly-acquired Land Reserves



**Results  
Review**

Time	Location	Cost (RMB'000)	Land area (m <sup>2</sup> )	Equity
May, 2022	Mengchen County, Bozhou City, Anhui Province	240,990	76,503	100%
June, 2022	Lishui City, Zhejiang Province	270,000	45,949	100%
December, 2022	Yichang City, Hubei Province	455,100	73,405	100%
December, 2022	Wuhan City, Hubei Province	1,199,900	45,582	100%



## Building Materials



### Results Review

#### Revenue breakdown

	2022 RMB'000	% of total	2021 RMB'000	% of total	Change
Curtain Wall	1,101,173	47%	1,333,782	57%	-17%
Ready-mixed Concrete	180,894	8%	171,188	7%	6%
Furnishings and Interior Decorations	230,574	10%	228,152	10%	1%
Wooden Products and Fireproof Materials	90,607	4%	102,222	4%	-11%
PC assembly plate	490,695	21%	268,585	12%	83%
Steel Structure	26,957	1%	27,575	1%	-2%
Others	199,451	9%	207,461	9%	-4%
<b>Total</b>	<b>2,320,351</b>	<b>100%</b>	<b>2,338,965</b>	<b>100%</b>	<b>-17%</b>





## Key Financial Ratios

### Financial Review

As at 31 December

	2022	2021
Return on equity	6.2%	7.3%
Net assets value per share (RMB yuan)	21.13	19.38
Net cash ratio	56.3%	49.2%
Current ratio	1.17	1.17



## Financial Indicators Analysis

### Financial Review

As at 31 December

	2022 RMB'000	2021 RMB'000
Cash and cash equivalents	7,748,703	7,813,911
Term deposits with initial term of over three months	377,942	318,452
Restricted bank deposits	1,274,090	1,263,180
Less : total borrowings	2,978,136	4,052,346
Net cash	6,422,599	5,343,197
Total equity attributable to the owner of the Company	11,402,887	10,866,213
Net cash ratio	56.3%	49.2%

## Cash Flow Analysis

### Financial Review

For the year ended 31 December

	Note	2022 RMB'000	2021 RMB'000
Cash inflow from operating activities	(i)	<b>1,303,001</b>	1,345,001
Cash inflow/(outflow) from investing activities	(ii)	<b>410,581</b>	188,779
Cash (outflow)/inflow from financial activities	(iii)	<b>(1,802,707)</b>	(977,719)
Net(decrease)/ increase in cash and cash equivalents		<b>(88,581)</b>	556,061
Exchange gains/( losses )on cash and cash equivalents		<b>23,373</b>	(3,682)



## Notes to Cash Flow Analysis




### Financial Review

*Note:*

i During the year, the net cash inflow from operating activities was approximately RMB1,303,545,000, a decrease of approximately RMB41,456,000 compared to the net cash inflow of approximately RMB1,345,001,000 of last year, which was primarily due to lower operating receipts during the year.

ii During the year, the net cash inflow from investing activities was approximately RMB410,581,000, an increase of approximately RMB221,802,000 compared to the net cash outflow of approximately RMB188,779,000 of last year, which was mainly due to the decrease in financial assets at fair value through profit or loss acquired during the year.



iii During the year, the net cash outflow from financing activities is approximately RMB1,802,707,000, an increase of approximately RMB824,988,000 compared to the net cash outflow of approximately RMB977,719,000 of last year, which was mainly due to sufficient cash flow and increased return of bank borrowing during the year.



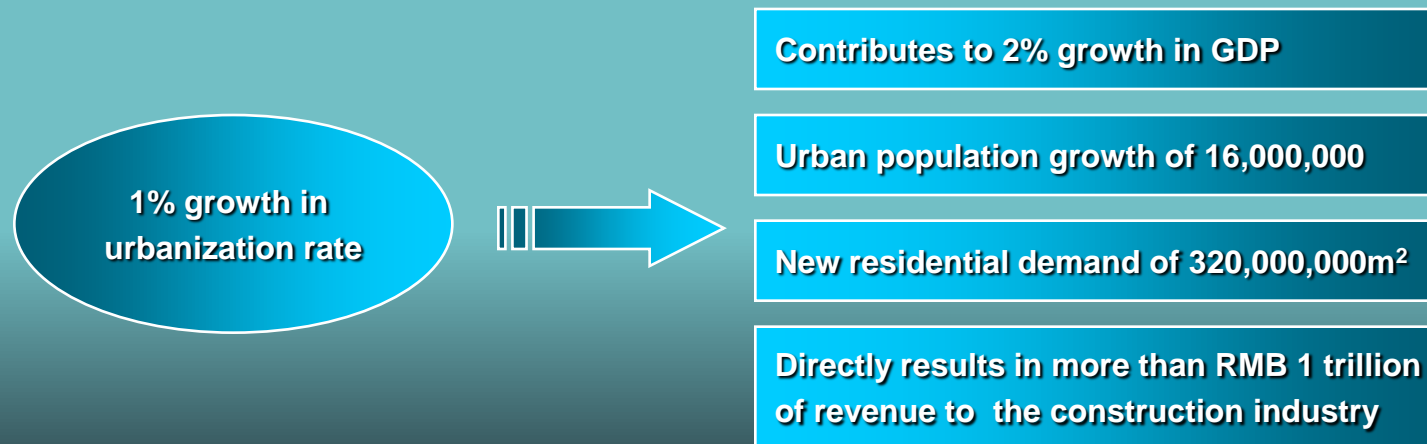
寶業集團股份有限公司 BAOYE GROUP COMPANY LIMITED

# *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 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.

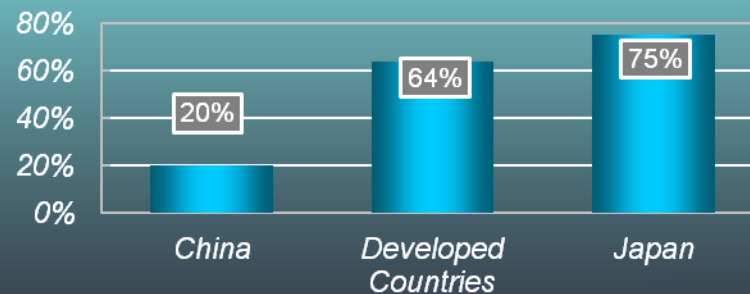


## Prefabricated Building Materials Business



### 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.
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