



# 2009 Interim Results



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  
Review**

**Prospects**

**Corporate  
Profile**



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



# Results Review



## Summary

### Results Review

Six months ended 30 June (unaudited)  
RMB million

	2009	2008	Change
Turnover	5,449	4,651	+17%
Profit attributable to equity holders	353	104	+241%
Earnings per share (RMB)	0.53	0.16	+231%

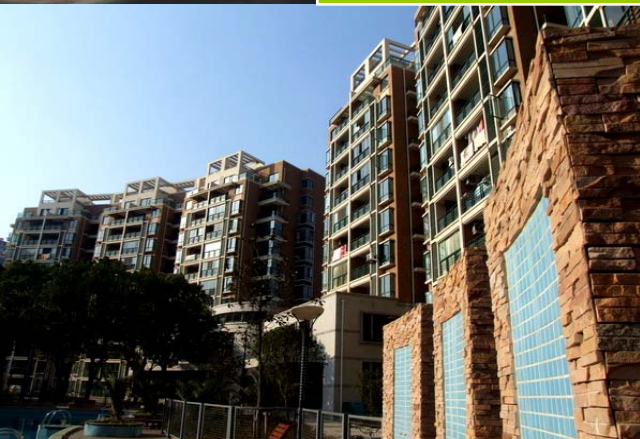




## Turnover



Results Review



Six months ended 30 June (unaudited)  
RMB million

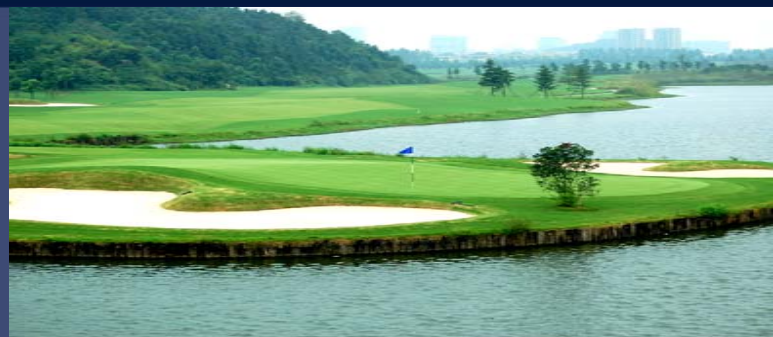
	<i>2009</i>	<i>2008</i>	<i>Change</i>
Construction	<b>3,829</b>	3,751	+2%
Property Development	<b>1,020</b>	306	+233%
Building Materials	<b>562</b>	553	+2%
Others	<b>38</b>	41	-8%
<b>Total</b>	<b>5,449</b>	4,651	+17%



## Operating Profit



Results Review



Six months ended 30 June (unaudited)  
RMB million

	<i>2009</i>	<i>2008</i>	<i>Change</i>
Construction	<b>111</b>	101	+10%
Property Development	<b>520</b>	85	+510%
Building Materials	<b>22</b>	28	-21%
Others	<b>0</b>	3	-
<b>Total</b>	<b>653</b>	217	+201%



## Operating Profit Margin



Results Review



Six months ended 30 June (unaudited)

	2009	2008	Change
Construction	2.9%	2.7%	+8%
Property Development	50.9%	27.8%	+83%
Building Materials	3.9%	5.0%	-22%



## Financial Ratio Analysis



### Results Review

As at 30 June

	2009	2008
Return on equity	10.9 %	3.6 %
Net assets value per share (RMB)	4.88	4.38
Net gearing ratio	25.1 %	28.7 %
Current ratio	1.35	1.01







## Business Structure



Results Review

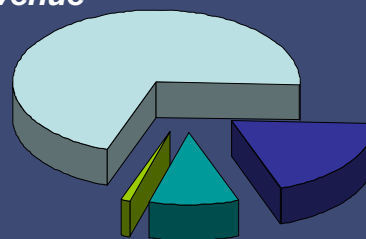


### Revenue and profit breakdown by business segments

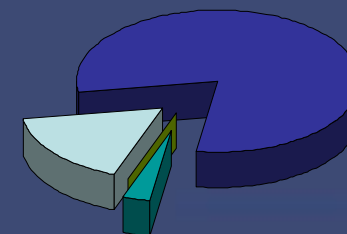
Six months ended 30 June (unaudited)

	<i>Revenue</i>	<i>Profit</i>
Construction	70 %	17 %
Property Development	19 %	80 %
Building Materials	10 %	3 %
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

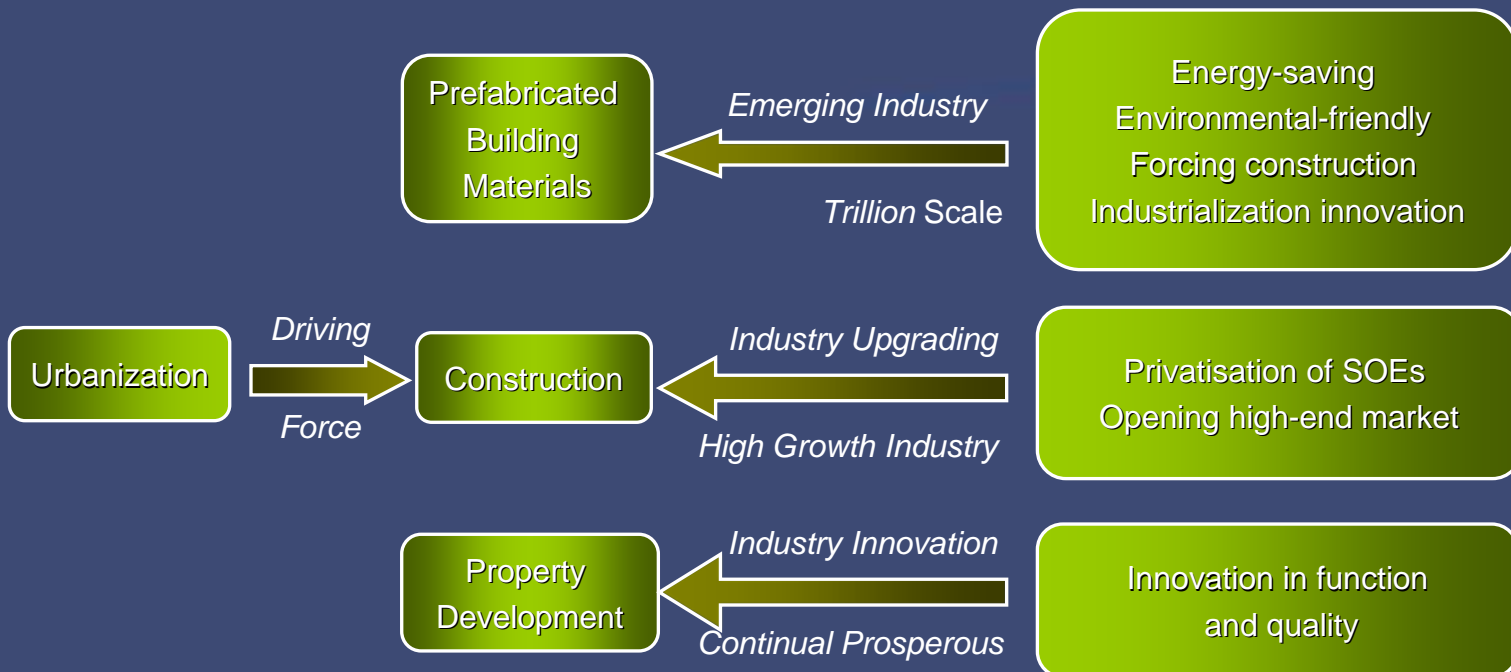
New residence demand of 320,000,000m<sup>2</sup>

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





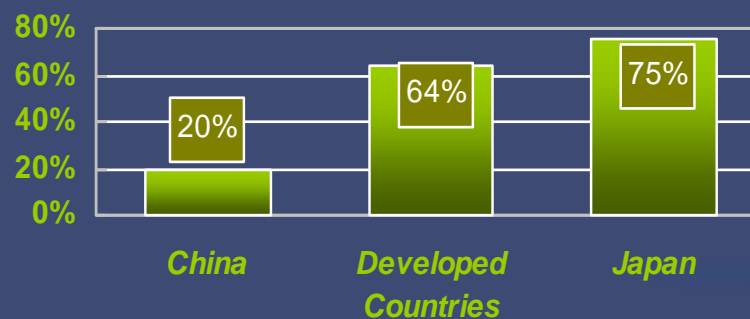
## Prefabricated Building Materials



### 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
<b>Total</b>			<b>6 billion</b>



## Construction-in-progress (by project nature)



Six months ended 30 June (unaudited)  
RMB million

	2009		2008		Change
		% of total		% of total	
Government & Public Buildings	<b>10,320</b>	<b>38%</b>	10,564	39%	-2%
Urban Infrastructure	<b>8,691</b>	<b>32%</b>	7,855	29%	+11%
Residential Projects	<b>4,617</b>	<b>17%</b>	4,875	18%	-5%
Industrial Projects	<b>3,531</b>	<b>13%</b>	3,792	14%	-7%
<b>Total</b>	<b>27,159</b>	<b>100%</b>	<b>27,086</b>	<b>100%</b>	<b>+0.3%</b>



## Construction-in-progress (by region)



Prospects



Six months ended 30 June (unaudited)  
RMB million

	2009		2008		Change
		% of total		% of total	
Zhejiang Province	8,691	32%	9,209	34%	-6%
Shanghai	8,962	33%	7,584	28%	+18%
Central China Region	5,975	22%	7,313	27%	-18%
Northern China Region	2,716	10%	2,600	9.6%	+4%
Overseas*	815	3%	379	1.4%	+115%
<b>Total</b>	<b>27,159</b>	<b>100%</b>	<b>27,086</b>	<b>100%</b>	<b>+0.3%</b>

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



## Property Development



Prospects

### Property Development Schedule (2009 & 2010)

<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	9,000
Daban Fengqing I	Shaoxing	100%	130,000	6,700
Yuyuan	Shaoxing	49%	89,000	24,000
Jing'an Ziyuan	Shanghai	70%	48,239	16,000
Baoye City Green Garden II & III	Hefei	100%	166,000	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

### Corporate Profile



As at 30 June 2009

	<i>No. of shares</i>	<i>% of total</i>
<b><i>Domestic Shares (non-listed)</i></b>		
Chairman, Mr. Pang	198,753,054	29.98%
Senior Management (30 persons)	151,988,999	22.93%
	<b>350,742,053</b>	<b>52.91%</b>
<b><i>H Shares (listed)</i></b>		
Atlantis	66,000,000	9.96%
HSBC Global Asset (Hong Kong) Limited	28,000,000	4.22%
JPMorgan Chase & Co.	25,000,000	3.77%
Others	193,221,952	29.14%
	<b>312,221,952</b>	<b>47.09%</b>
<b>Total</b>	<b>662,964,005</b>	<b>100%</b>





Corporate Profile

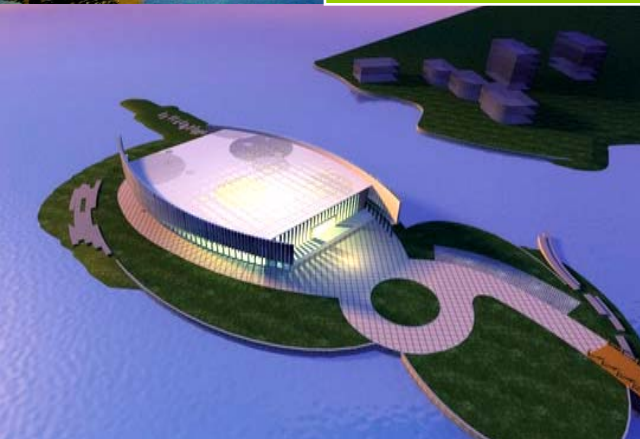


- ◆ Zhejiang Province, where our headquarters located, is in the Yangtze Delta, one of the richest regions in the PRC.
- ◆ In addition to our home base, we have expanded our business footprint into neighboring areas including Shanghai, Hefei & Wuhan.





Corporate Profile



Baoye Group Company Limited





## 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.
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