



Interim Results 2010



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

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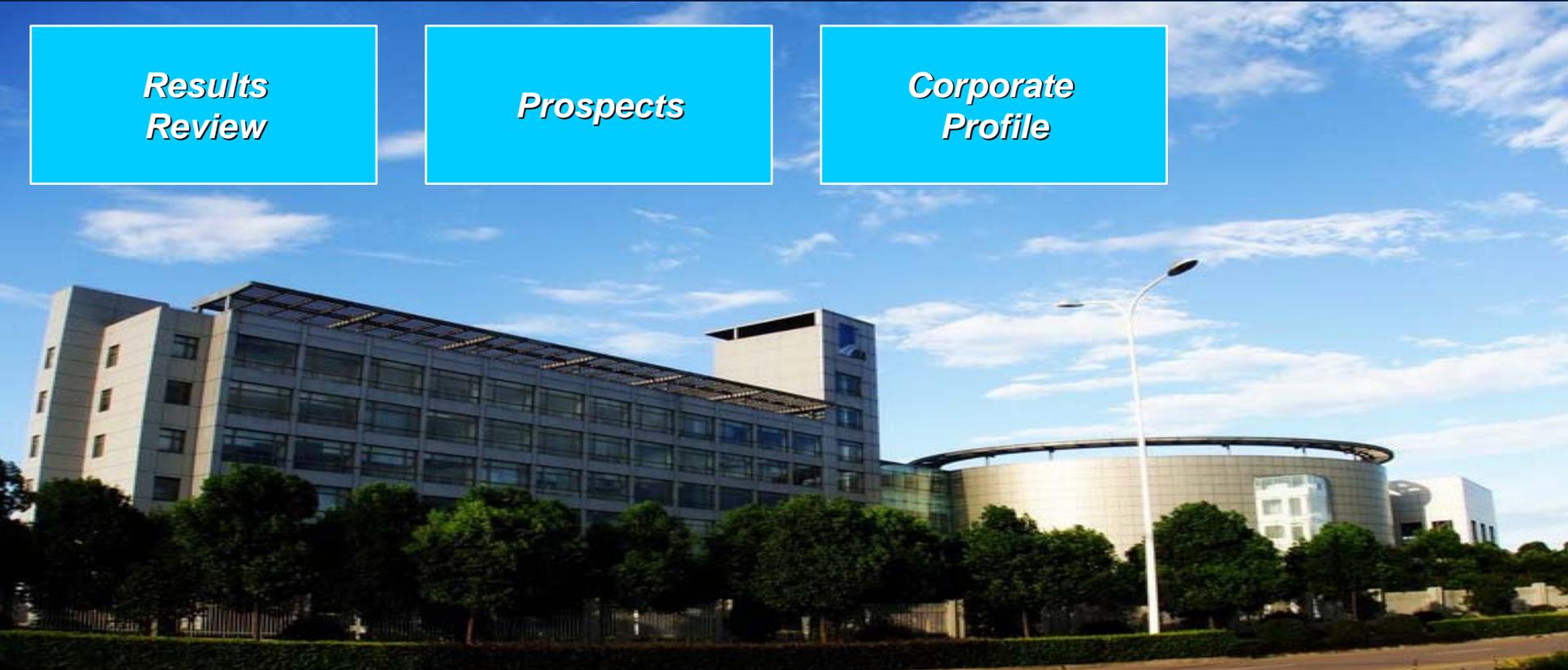


寶業集團股份有限公司 BAOYE GROUP COMPANY LIMITED

*Results
Review*

Prospects

*Corporate
Profile*





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

Results Review



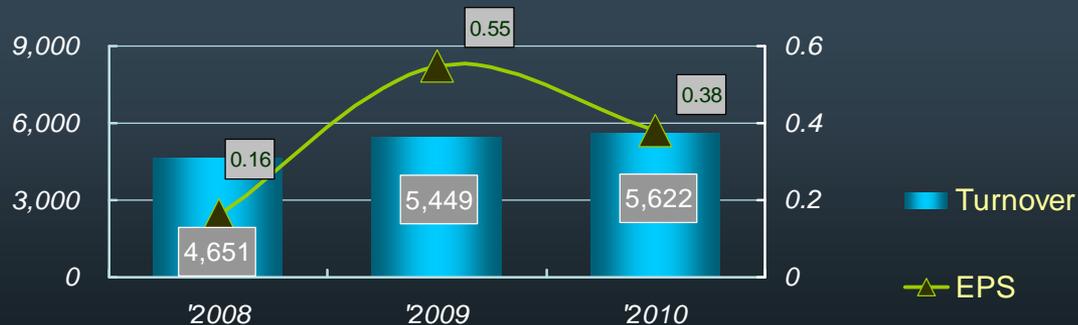


Summary

Results Review

As at 30 June
RMB million

	2010	2009	Change
Turnover	5,622	5,449	+3%
Profit attributable to equity holders	250	365	-31%
Earnings per share (RMB)	0.38	0.55	-31%





Turnover



Results Review

As at 30 June
RMB million

	2010	2009	Change
Construction	4,466	3,829	+17%
Property Development	463	1,020	-55%
Building Materials	646	562	+15%
Others	47	38	+25%
Total	5,622	5,449	+3%





Operating Profit



Results Review

As at 30 June
RMB million

	2010	2009	Change
Construction	161	111	+45%
Property Development	206	522	-61%
Building Materials	33	22	+53%
Others	(2)	0.1	-
Total	398	655.1	-39%





Operating Profit Margin



Results Review



As at 30 June

	2010	2009	Change
Construction	3.6%	2.9%	+24%
Property Development	45%	51%	-13%
Building Materials	5.2%	3.9%	+33%



Financial Ratio Analysis

As at 30 June



Results Review

	2010	2009
Return on equity	7.1%	11.2 %
Net assets value per share (RMB)	5.31	4.89
Net cash ration	7.9%	-
Net gearing ratio	-	25.3 %
Current ratio	1.31	1.28





Business Structure



Results Review

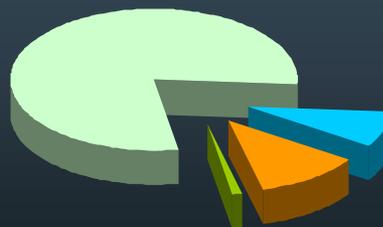


Revenue and profit breakdown by business segments

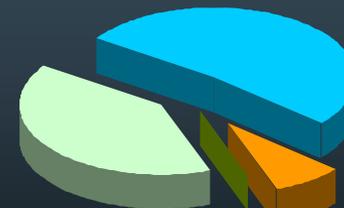
As at 30 June

	<i>Revenue</i>	<i>Profit</i>
Construction	79 %	40 %
Property Development	8 %	52 %
Building Materials	12 %	8 %
Others	1 %	-

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



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

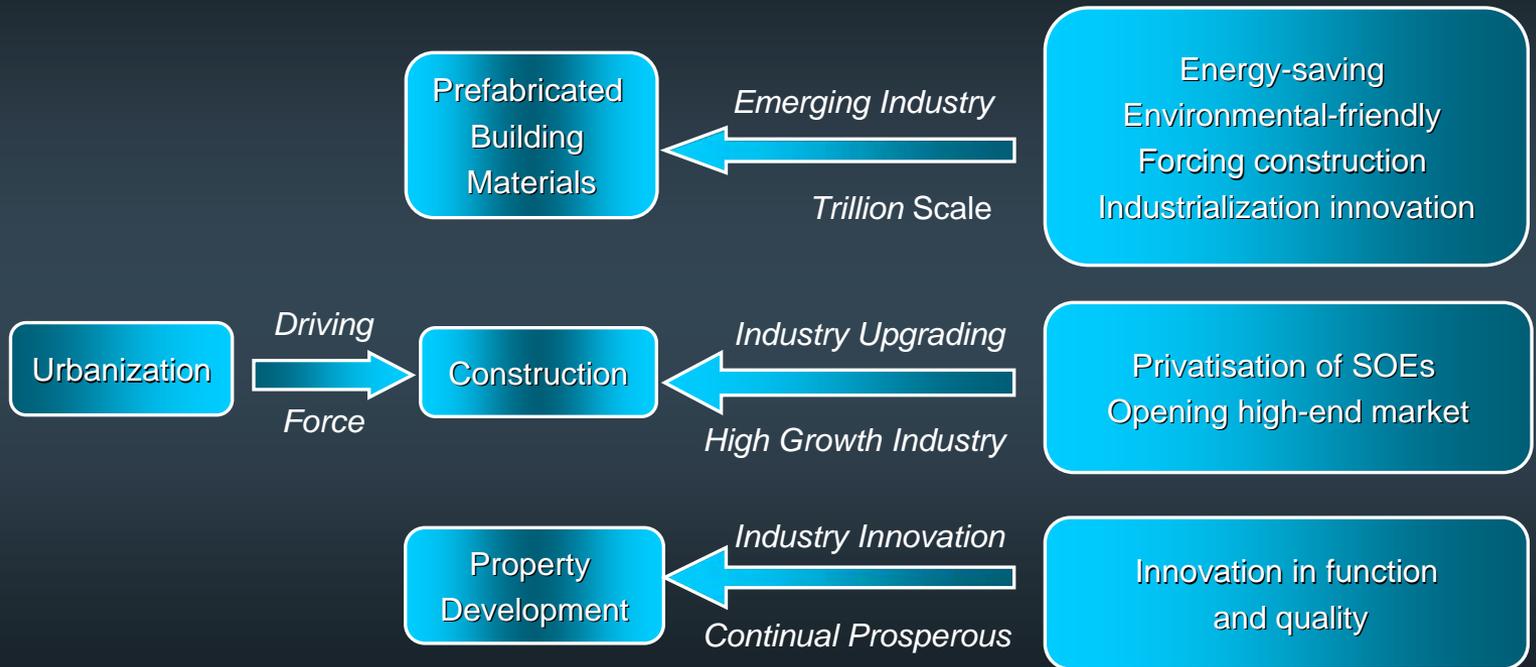
Directly results in more than RMB 1 trillion of revenue to the construction industry



Urbanization in China



Driving force for construction growth in China - urbanization



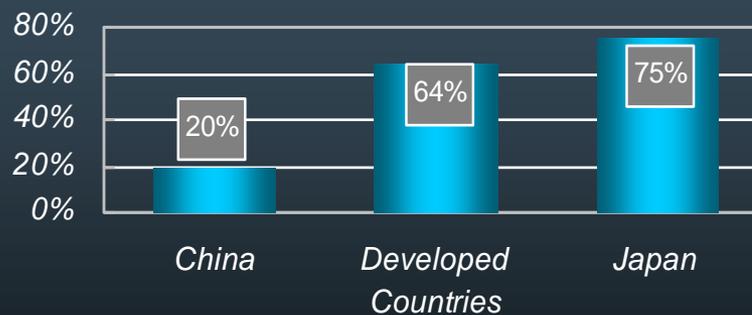


Prefabricated Building Materials



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	2010	2 billion
Total			6 billion



Construction-in-progress (by project nature)



As at 30 June
RMB million

	2010 % of total		2009 % of total		Change
Government & Public Buildings	9,900	31%	10,320	38%	-4%
Urban Infrastructure	7,665	24%	8,691	32%	-12%
Residential Projects	8,303	26%	4,617	17%	+80%
Industrial Projects	6,068	19%	3,531	13%	+72%
Total	31,936	100%	27,159	100%	+18%



Construction-in-progress (by region)



Prospects



As at 30 June
RMB million

	2010 % of total		2009 % of total		Change
Zhejiang Province	9,709	30%	8,691	32%	+12%
Shanghai	9,613	30%	8,962	33%	+7%
Central China Region	7,824	25%	5,975	22%	+31%
Northern China Region	3,832	12%	2,716	10%	+41%
Overseas*	958	3%	815	3%	18%
Total	31,936	100%	27,159	100%	+18%

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



Property Development



Prospects



Property Development Schedule (2010 - 2012)

<i>Property Name</i>	<i>Location</i>	<i>Equity Interest held by Baoye</i>	<i>GFA (sqm)</i>	<i>Total Cost (Rmb/sqm)</i>
Baoye Four Seasons Garden I	Shaoxing	100%	100,000	10,000
Daban Fengqing	Shaoxing	100%	280,000	6,700
Yuyuan	Shaoxing	49%	89,000	24,000
Yangxun Commercial Center	Shaoxing	100%	36,000	3,800
Baoye City Green Garden III	Hefei	100%	100,000	3,400
Baoye Tongcheng Green Garden	Hefei	100%	163,000	3,900
Dongcheng Square Project	Hefei	100%	228,500	4,500
Baoye Moon Lake Garden	Jingmen	100%	82,000	1,600
Xudong Yayuan	Wuhan	100%	31,000	4,200
Zhongfangcheng Project	Hangzhou	100%	64,000	3,500



Property Development



Prospects



Total Land Bank I (as at 30 June 2010)

<i>Property Name</i>	<i>Land Area (sqm)</i>	<i>GFA (sqm)</i>	<i>Stake</i>
Shaoxing			
Baoye Four Seasons Garden	1,050,000	525,000	100%
Daban Fengqing	100,000	280,000	100%
Yuyuan	180,000	89,000	49%
Yangxun Commercial Center	10,000	36,000	100%
Yangxunqiao Linjiang Project	37,784	-	100%
Hangzhou			
Zhongfangcheng Project	50,000	64,000	100%

Property Development



Prospects



Total Land Bank II (as at 30 June 2010)

<i>Property Name</i>	<i>Land Area (sqm)</i>	<i>GFA (sqm)</i>	<i>Stake</i>
Hefei			
Tongcheng Green Garden	58,570	163,000	100%
City Green Garden	68,000	100,000	100%
Dongcheng Square Project	63,500	228,500	100%
Hubei			
Baoye Moon Lake Garden	45,000	82,000	100%
Baoye Xudong Yayuan	21,000	31,000	100%
Miaoshan Project	108,000	200,000	100%
Other Landbank	500,000	-	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 36 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 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 5 years



Shareholders Structure

As at 30 June 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	24,948,000	3.76%
Others	165,405,952	24.95%
	312,221,952	47.09%
Total	662,964,005	100%



Corporate Profile





Corporate Profile



Baoye Group Company Limited

Building Materials Business

- Shaoxing Building Materials Industrial Park
- Hefei Building Materials Industrial Park
- Wuhan Building Materials Industrial Park

Construction Business

- Zhejiang
- Shanghai
- Jiangsu
- Anhui
- Hubei
- Hunan
- Jiangxi
- Xinjiang
- Fujian
- Beijing
- Tianjin
- Hebei
- Henan
- Shandong
- Liaoning
- Sichuan
- Chongqing

Property Development Business

- Shaoxing
- Hefei
- Shanghai
- Hubei
- Hangzhou



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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