



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





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

Corporate Profile

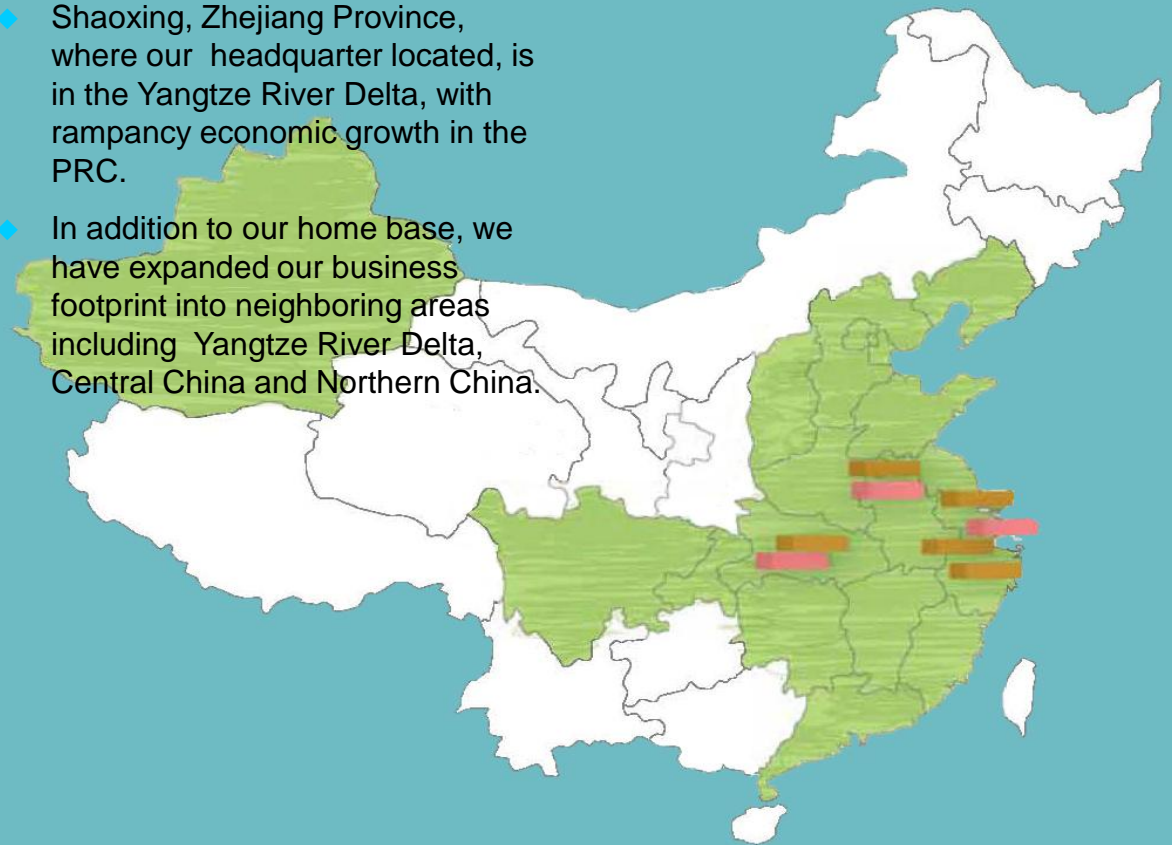




Corporate Profile - Business Network



- ◆ 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
- 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



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
- Gardening and Landscaping

Property Development Business

- | | |
|--|---|
| -Shaoxing
“Baoye Four Seasons Garden” | -Jieshou
“Fuxing Jiayuan” |
| - Shaoxing
“Baoye Xinqiao Fengqing” | -Bengbu
“Baoye Xuefu Green Garden” |
| -Shaoxing
“Xialv Projece” | -Taihe
“Baoye City Green Garden” |
| -Lishui
“Huajie Fengqing” | -Kaifeng
“Baoye Longhu Yucheng” |
| -Lishui
“Jingang Apartment” | -Lu’an
“ Baoye Junyue Green Garden”” |
| -Quzhou
“Quzhou project” | -Lu’an
“Nanhai Jiayuan” |
| -Wuhan
“Xinzhou project” | -Zhengzhou
“Zhengzhou Project” |
| -Mengcheng
“Binhu Lv yuan” | |

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 2019</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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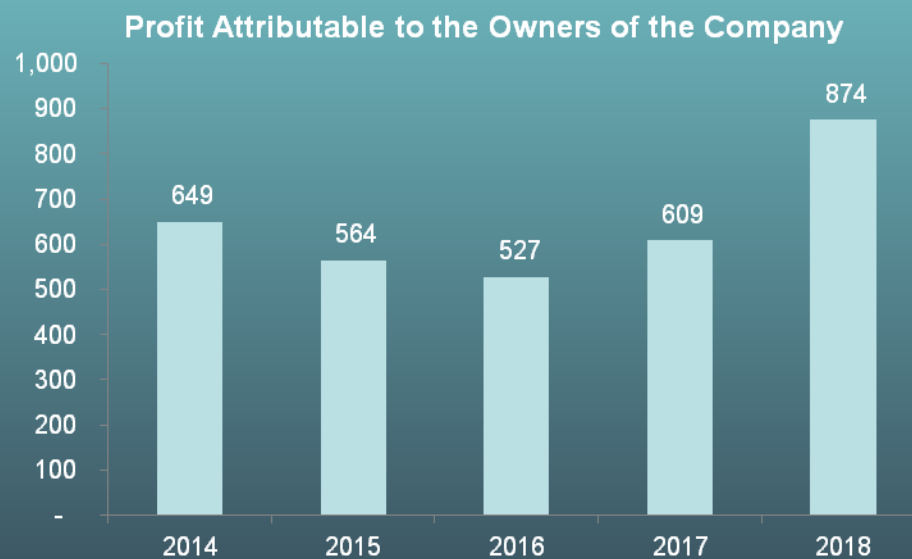
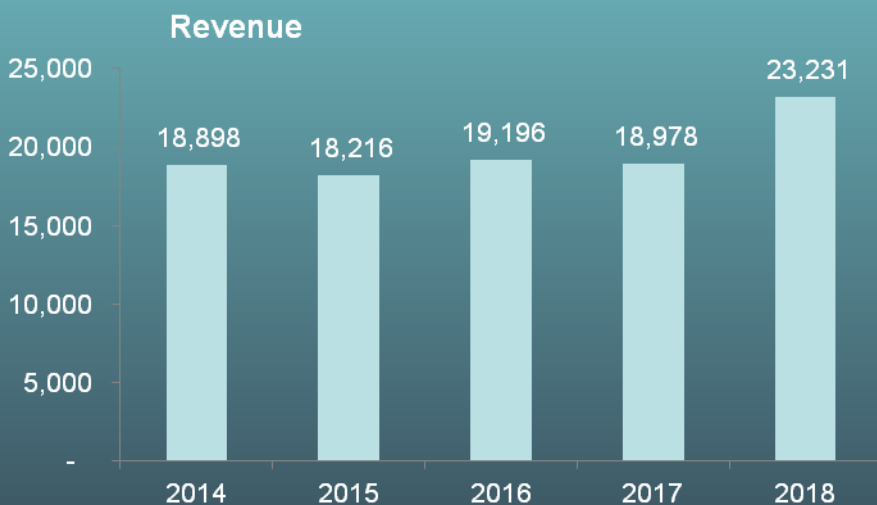
Results Review





Results Review

For the year ended 31 December
RMB million

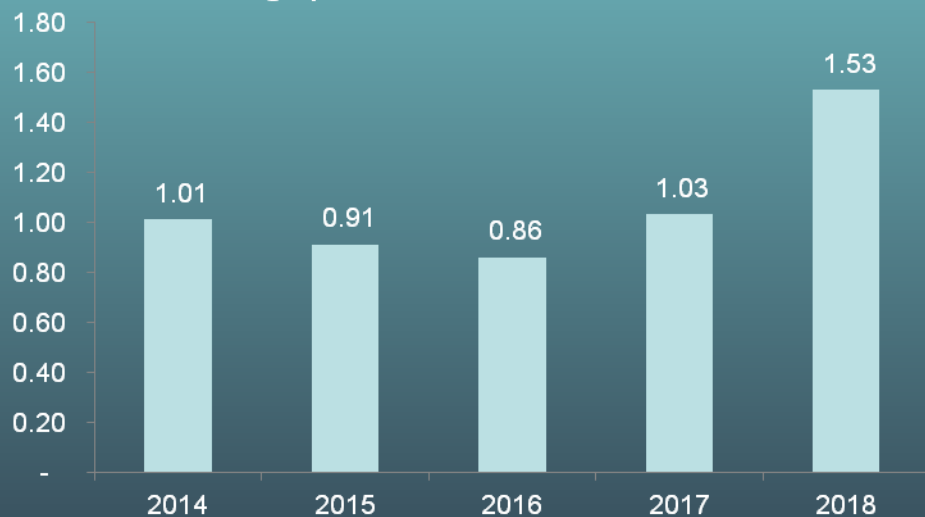




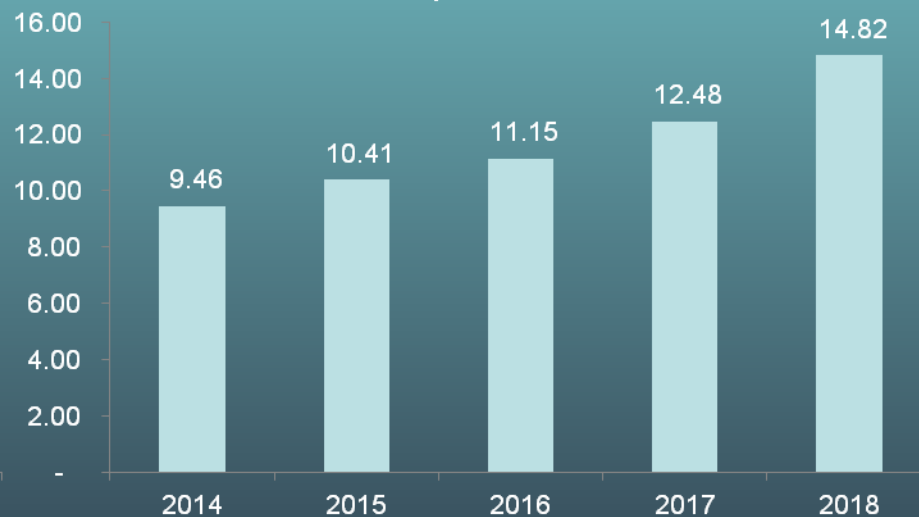
Results Review

For the year ended 31 December
RMB

Earnings per Share



Net Assets Value per Share

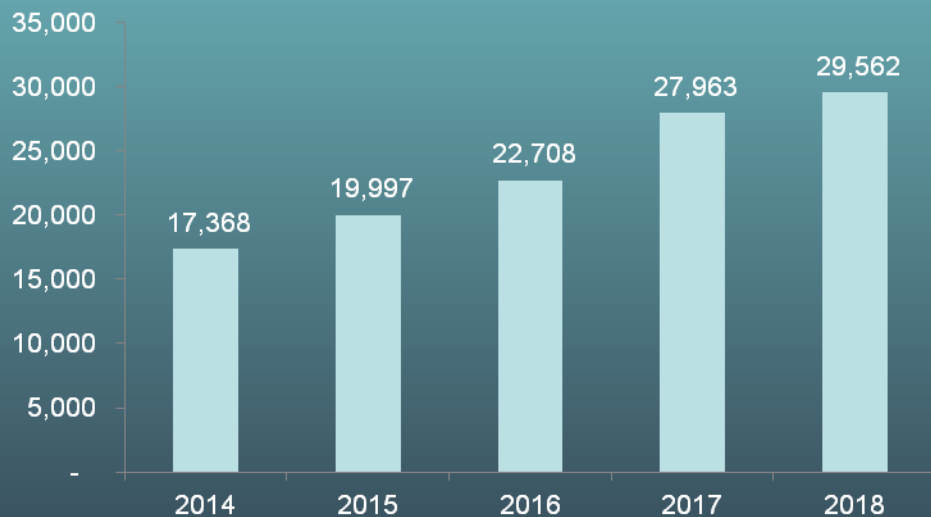




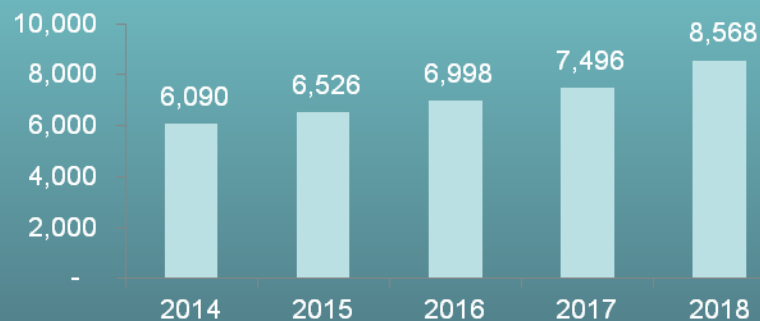
Results Review

For the year ended 31 December
RMB million

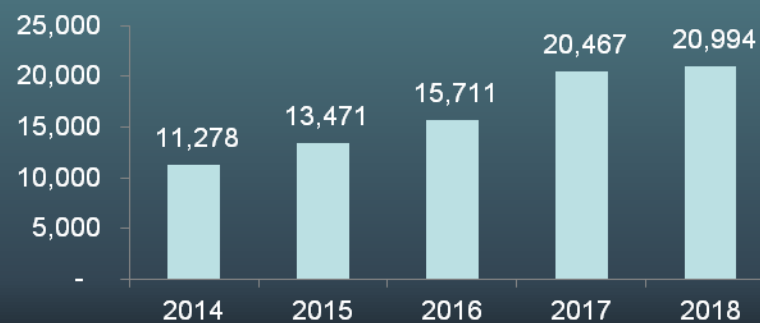
Total Assets



Total Equity



Total Liabilities

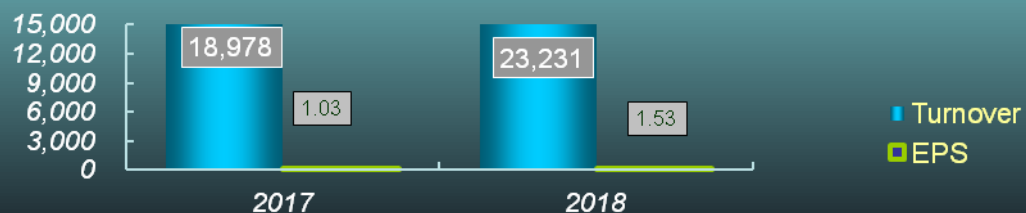


Summary

For the year ended 31 December
RMB million

	2018	2017	Change
Revenue	23,231	18,978	22.4%
Profit attributable to the owners of the Company	874	609	43.6%
Earnings per share (RMB)	1.53	1.03	48.5%

Results Review






Turnover



Results Review

For the year ended 31 December
RMB million

	2018	2017	Change
Construction	17,343	14,279	21%
Property Development	3,085	2,659	16%
Building Materials	2,503	1,860	35%
Others	300	181	66%
Total	23,230	18,978	22%



Operating Profit



Results Review

For the year ended 31 December
RMB million

	2018	2017	Change
Construction	506	425	19%
Property Development	761	383	99%
Building Materials	67	31	114%
Others	60	33	81%
Total	1,394	872	60%



Operating Profit Margin



Results Review

For the year ended 31 December

	2018	2017	Change
Construction	2.9%	3.0%	-3 %
Property Development	24.7%	14.4%	72%
Building Materials	2.7%	1.7%	59%





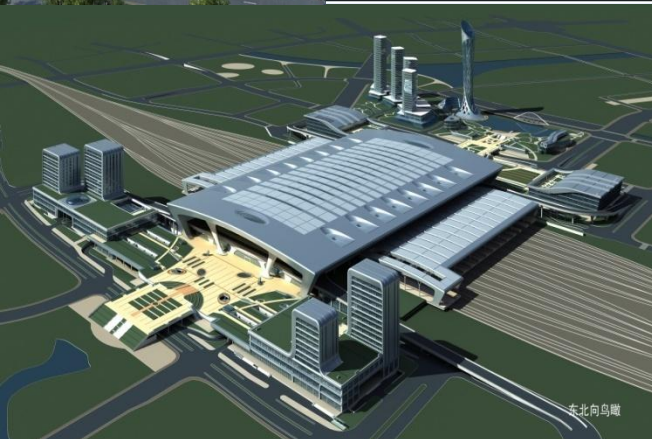
Key Financial Ratio



Results Review

As at 31 December

	2018	2017
Return on equity	10.5%	8.3%
Net assets value per share (RMB)	14.82	12.48
Net cash ratio	25.3%	21.4%
Current ratio	1.18	1.18



Business Structure

Results Review

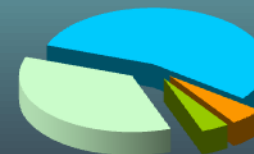
Revenue and profit breakdown by business segments

	<i>Revenue</i>	<i>Profit</i>
Construction	75%	36%
Property Development	13%	55%
Building Materials	11%	5%
Others	1 %	4%

Revenue



Profit



■ Construction ■ Property Development ■ Building Materials ■ Others

Key Award projects



Results Review

<i>Projects Name</i>	<i>Awards</i>
Kaifeng Haihui Centre	Luban Award
Djibouti Jura Port Project	Luban Award
Cixi Grand Theatre	Luban Award
Jiangnanyan Garden Complex Building	Baiyulan Cup
Tianjing fourth Middle School	Haihe Cup
Baoye I Do	Baiyulan Cup
Guanggu Xinhui	Chutian Cup
Phase III of Yichang Interbatauional Trade Center	Chutian Cup
Xinhu Comprehensive Experiment Building of Wuhan University	Chutian Cup

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	100%	300,000
Baoye Xinqiao Fengqing	Shaoxing	100%	136,000
Xialv Project	Shaoxing	60%	Under Planning
Huajie Fengqing	Lishui	100%	260,363
Jingang Apartment	Lishui	100%	20,784
Quzhou Project	Quzhou	100%	335,600
Xinzhou Project	Wuhan	100%	Under Planning
Binhu Lv Yuan	Mengcheng	100%	201,572
Fuxing Jiayuan	Jieshou	100%	467,293
Baoye Xuefu Green Garden	Bengbu	63%	79,000
Baoye City Green Garden	Taihe	55%	95,770
Baoye Longhu Yucheng	Kaifeng	60%	80,000
Baoye Junyue Green Garden	Lu'ani	100%	51,205
Nanghai Jiayuan	Lu'an	70%	305,500
Zhengzhou Project	Zhengzhou	51%	Under Planning



Property Development - Projects in Shaoxing



Results Review

- ◆ Baoye Four Seasons Garden has a site area of approximately 1,050,000 square metres and a planed gross floor area of approximately square metres for the development of deluxe villas, semi-detached villas and town houses. It also consists of a golf club, a five-star resort hotel, two leisure parks, a sport park, a shopping arcade, kindergarten and a central lakeside garden fully equipped with supporting facilities. Construction of phase I had been almost completed and parts of units remain unsold. Phase II, with a total gross floor area of 300,000 square metres is under planning. The first town houses started presale at the end of 2018.
- ◆ Baoye Xinqiao Fengqing is located in Beihai community, Yuecheng District, the west of Shaoxing City, supported by convenient transportation, well developed community facility and school resources. The project has a site area of approximately 41,158 square metres and an estimated gross floor area of approximately 136,000 square metres, aiming to be developed as a 14 high-rise building project with river view, of which 4 building will be constructed by adoption of PC-manufacture methodology according to plan. The project will be developed in three phases, of which phase I and phase II, a total of 64,152 square metres had been almostly sold out. Phase III had started presale in the second half year of 2018 and registered a satisfactory presale results. The project will be delivered in the second half year of 2019.

Property Development - Projects in Shaoxing



Results Review

- ◆ 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 at 31 December 2019, one of the three parcels of land has begun planning.



Property Development - Projects in Lishui



Results Review

- ◆ Huajie Fengqing is located in Liandu District, Lishui City, Zhejiang Province. It covers a site area of 95,794 square meters and has a total construction 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 58,953 square meters are owned by Baoye for sale. The project is in the early stage of planning and the presale is expected to begin in September 2019.
- ◆ Jingang Apartment, located in Liandu District, Lishui City, Zhejiang Province, has a site area of 14,846 square metres and a total gross floor area of 20,784 square metres with 1.34 times plot ratio, of which 17,652 square meters will be repurchased by the local government and the remaining 3,132 square meters will be held and sold by Baoye. The project basically had been sold out by now and expected to be completed and delivered at the end of 2019.





Property Development - Project in Quzhou



Results Review

- ◆ The Quzhou project is located in Quzhou City, Zhejiang Province, with a total area of 127,272 square meters and a planned gross floor area of 335,600 square meters. The project is currently in the early stage of planning and is expected to be fully delivered in 2021. It will be repurchased by the government after completion.





Property Development - Project in Wuhan



Results Review

- ◆ Wuhan Xinzhou project has a total site area of 129,528 square meters. The Group acquired this parcel of land use right in December 2017 at a consideration of RMB780 million. As 31 December 2018, the project is under planning.



Property Development - Project in Mengcheng



Results Review

- ◆ Binhu Lvyuan, located in Mengcheng County, Anhui Province, has a total site 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 Group acquired this parcel of land use right in August 2018 at a consideration of RMB366 million. The project is currently under planning.



Property Development - Project in Fuyang



Results Review

- ◆ Fuxing Jiayuan, located in Jieshou City, Fuyang City, Anhui Province, has a total site area of 172,656 square metres and gross floor area of 467,293 square meters. The Group acquired this parcel of land use right in June 2018 by public tendering at a total consideration of RMB370,348,121. The project has started the construction and is expected to be delivered to owners in 2020. The project will be repurchased by the local government when completed.



Property Development - Project in Bengbu



Results Review

- ◆ Baoye Xuefu Luyuan, is located in Bengbu City, Anhui Province. It has a total site area of approximately 62,600 square metres and an estimated gross floor area of approximately 199,700 square metres of which approximately 20,000 square metres are affordable housing. The project comprises 15 buildings. Phase I has been delivered to buyers in 2017. Phase II, with a gross floor area of approximately 79,000 square meters is under construction and is expected to be delivered to buyers at the end of 2019.



Property Development - Project in Taihe



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 eco- friendly park with rich community facilities, which sets the new generation in the city. The project will be developed in four phases, of which phase I and II had already been delivered to buyers, phase III with 94,145 square meters had almost been sold out and delivered at the end of 2018. phase IV with 95,770 square meters is expected to be delivered in 2020.



Property Development - Project in Kaifeng



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 is being developed in 5 phases, of which certain completed units of phase I, had been delivered to owners, the remaining units with approximately 80,000 square meters are under development. Phase II had started construction and started the presale in August 2018. Phase III is still under planning.



Property Development - Projects in Lu'an



Results Review

- ◆ Baoye Junyue Green Garden is located in Lu'an city, Anhui Province. Baoye bided for the project through judicial auction in September 2017. 80% of the phase I, a total of 51,205 gross square meters has finished construction when auctioned, while the remaining site area of 36,196 square meters is clean land for development. The project enjoys well-developed facilities, convenient transportation with parks, banks and shopping malls. The project is being developed in two phases which are under presale.
- ◆ Nanhai Jiayuan, located in Lu'an City, Anhui Province, has a site area of 125,526 square meters and a total gross floor area of 305,500 square meters, phase I of which has finished the main construction in the second half year of 2018, while phase II is under construction. The project is expected to be delivered to the local government in 2019.



Property Development - Project in Zhengzhou



Results Review

- ◆ Zhengzhou Project, with a total site area of 336,776 square meters, located in Zhengzhou City, Henan Province, the Group acquired this parcel of land use right in November 2018 at a consideration of RMB184,660,000. The project is in Jianshan Tourist Resort Zone, with convenient transportation, spectacular scenery and historical culture. The project is under planning currently.



Newly-acquired Land Reserves



Results Review

Time table	Location	Cost (RMB'000)	Land area (Sqms)	Planned construction Area (Sqms)	Equity
June 2018	Anhui	370,348	172,656	467,293	100%
August 2018	Anhui	366,000	78,640	201,572	100%
August 2018	Zhejiang	360,140	127,272	335,600	100%
October 2018	Zhejiang	542,000	95,794	260,363	100%
November 2018	Henan	184,660	336,776	规划中	51%

Building Materials

Results Review

Revenue breakdown

	2018 RMB'000	% of the total	2017 RMB'000	% of the total	Change
Curtain Wall	1,173,115	47%	1,032,978	55%	14%
Ready-mixed Concrete	717,815	29%	327,410	17%	119%
Furnishings and Interior Decorations	205,096	8%	218,658	12%	-6%
PC Assemble Boards	158,069	6%	66,599	4%	137%
Wooden Products and Fireproof	90,083	4%	88,864	5%	1%
Steel Structure	27,222	1%	32,379	2%	-16%
Others	131,160	5%	92,976	5%	41%
Total	2,502,560	100%	1,859,864	100%	35%



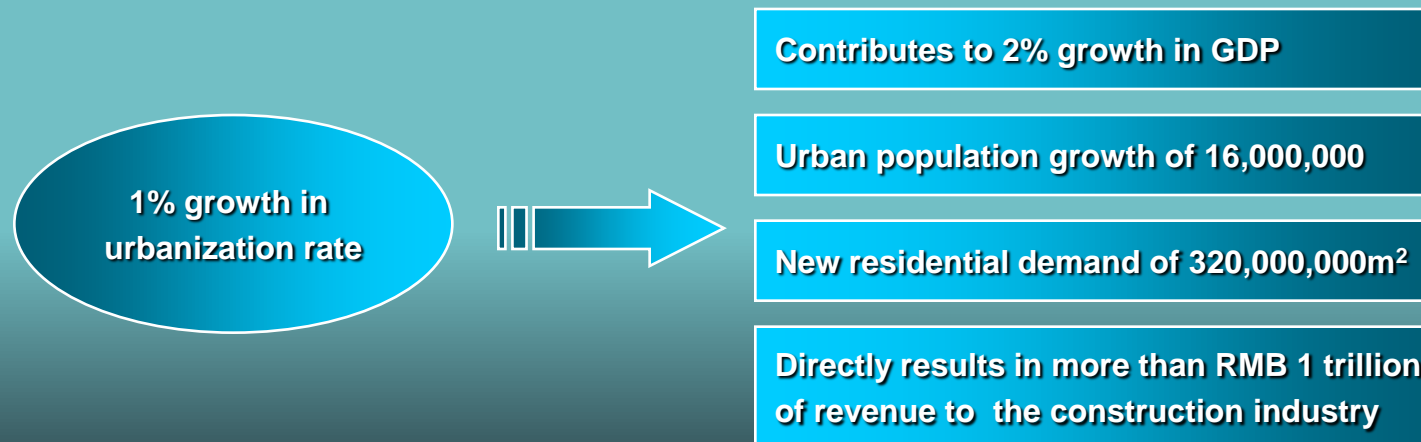
寶業集團股份有限公司 BAOYE GROUP COMPANY LIMITED

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.

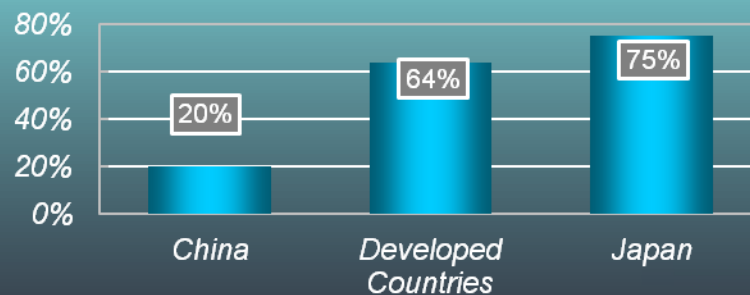


Prefabricated Building Materials Business



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.
- ◆ In addition, Baoye makes these forward-looking statements as of today and undertakes no obligation to update these statements.
- ◆ The information in the presentation is for informational purposes only. This is not an offer to subscribe shares in Baoye.



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