



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

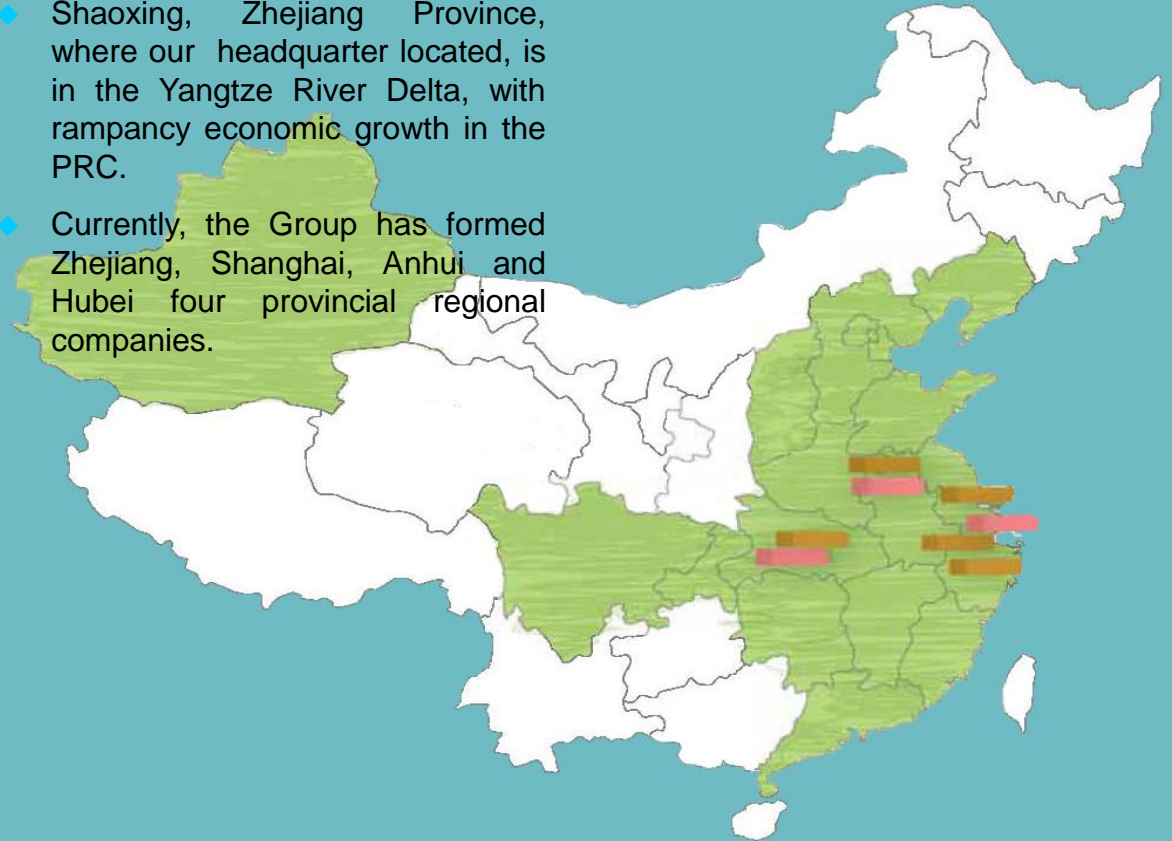




Corporate Profile - Business Network



- ◆ Shaoxing, Zhejiang Province, where our headquarter located, is in the Yangtze River Delta, with rampancy economic growth in the PRC.
- ◆ 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 "Daban Green Garden" |
| - Shaoxing "Yunxili" | - Hangzhou "Fengyue Shangzhu" |
| - Lishui "Huajie Fengqing" | - Lishui "Xishan Yueyuan" |
| - Ningbo "Phoenix One" | - Shanghai "Baoye Active Hub" |
| - Shanghai "Baoye Qingchunli" | - Shanghai "Baoye Active Paradise" |
| - Wuhan "Xingyufu" | - Wuhan "Yuzhu Project" |
| - Wuhan "Yuke Project" | - Mengcheng "Binhu Green Garden" |
| - Mengcheng "Shidai Green Garden" | - Jieshou "Fuxing Jiayuan" |
| - Taihe "Yinghe Green Garden" | - Taihe "Jiangnan Fu" |
| - Kaifeng "Baoye Longhu Yucheng" | - Lu'an "Baoye Junyue Green Garden" |
| - Zhengzhou "Zhengzhou Project" | - Sixian "Sizhou Green Garden" |
| - Sixian "Xuefu Green Garden" | - Lu'an "Yeji Jiangnan Fu" |
| - 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 2022</i>	<i>No. of shares</i>	<i>% of total</i>
Domestic Shares		
Mr. Pang Baogen (Chairman)	193,753,054	34.56%
Senior Management	156,988,999	28.00%
	350,742,053	62.56%
H Shares		
Wu Xueqin (Note 1)	29,304,000	5.23%
Others	180,588,000	32.21%
	209,892,000	37.44%
Total	560,634,053	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

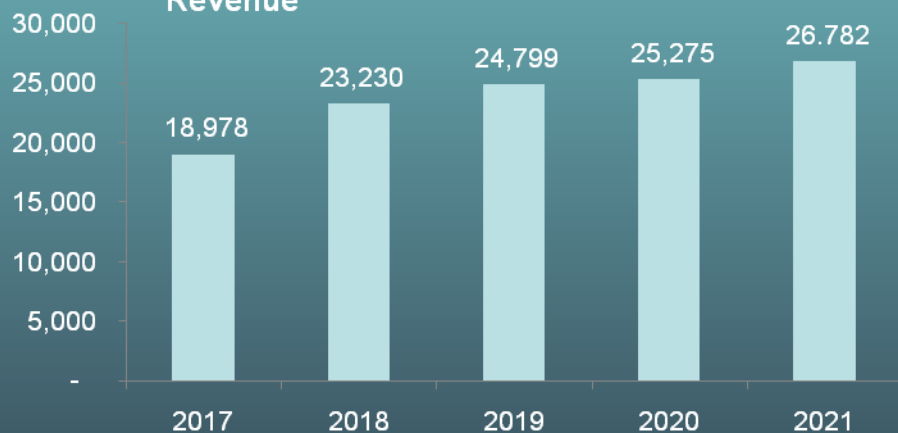




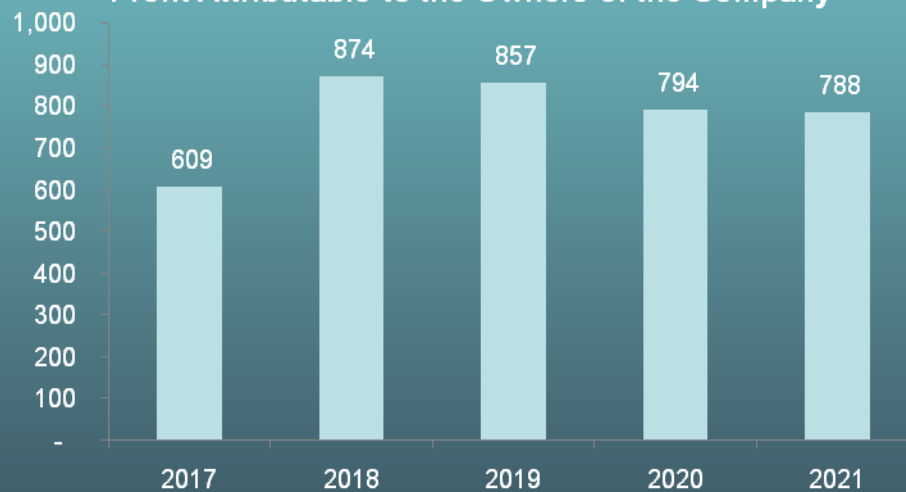
Results Review

For the year ended 31 December
RMB million

Revenue



Profit Attributable to the Owners of the Company

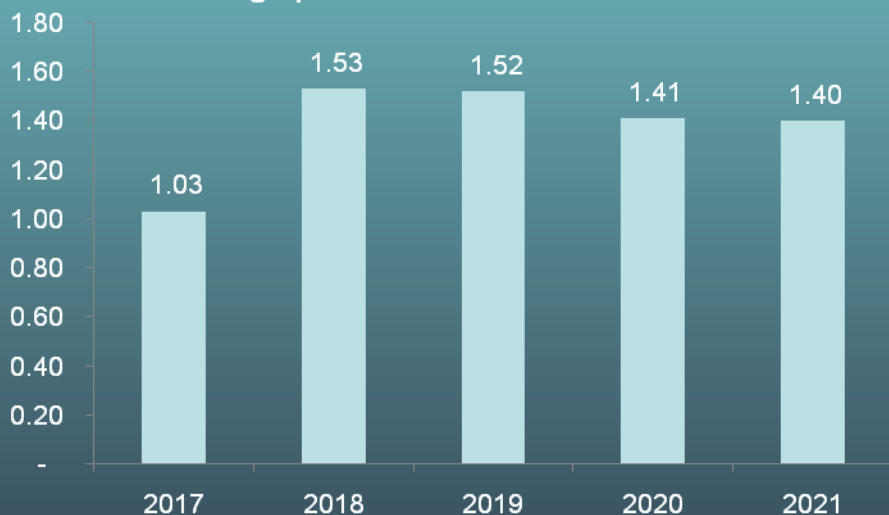




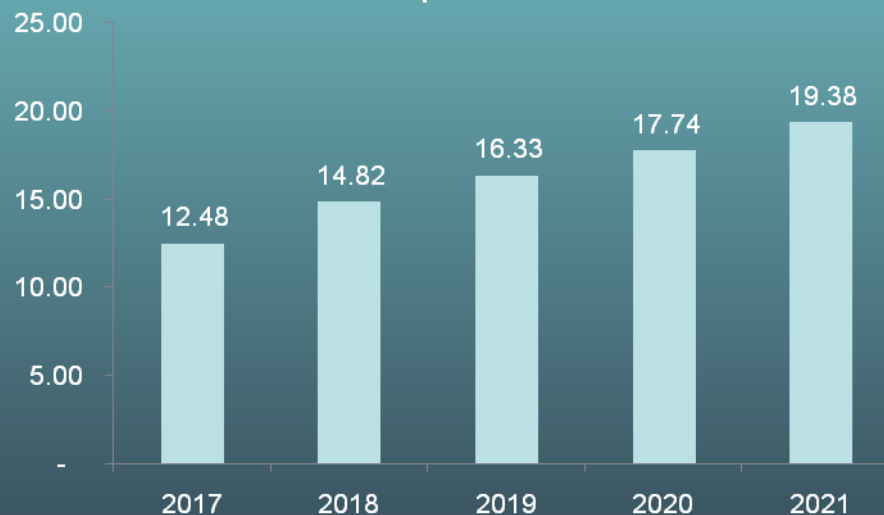
Results Review

For the year ended 31 December
RMB

Earnings per Share



Net Assets Value per Share

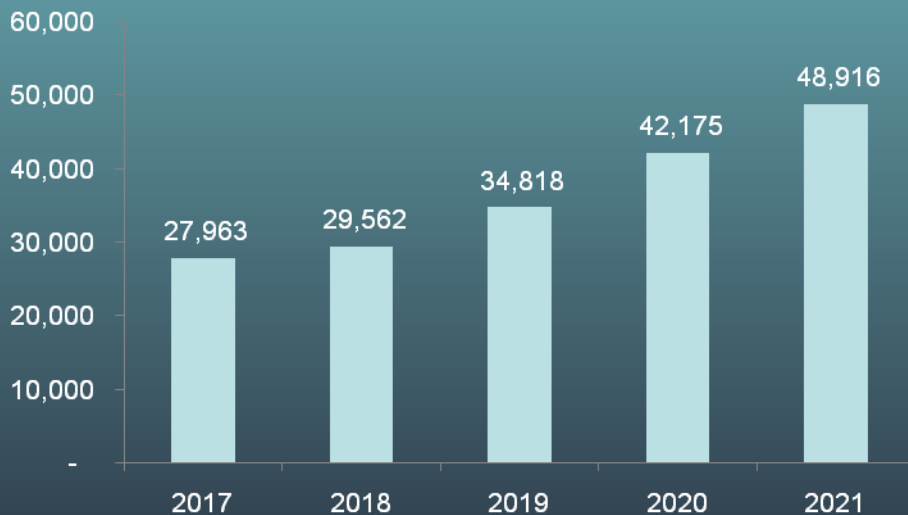




Results Review

For the year ended 31 December
RMB million

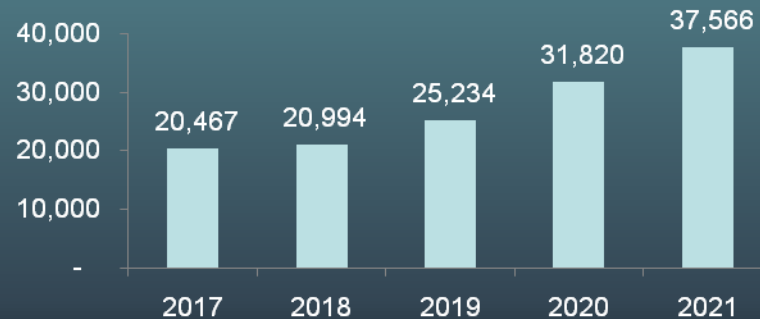
Total Assets



Total Equity



Total Liabilities





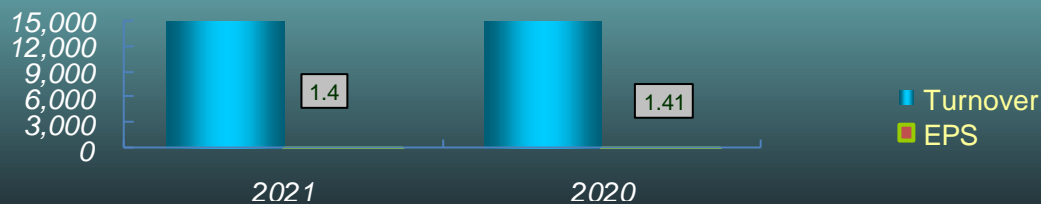
Summary

For the year ended 31 December
RMB million

	2021	2020	Change
Revenue	26,782	25,275	6.0%
Profit attributable to the owners of the Company	788	794	-0.7%
Earnings per share (RMB)	1.40	1.41	-0.7%



Results Review






Turnover



Results Review

For the year ended 31 December
RMB million

	2021	2020	Change
Construction	21,640	20,433	6%
Property Development	2,366	1,972	20%
Building Materials	2,339	2,486	-6%
Others	437	384	14%
Total	26,782	25,275	6%






Operating Profit



Results Review

For the year ended 31 December
RMB million

	2021	2020	Change
Construction	570	545	5%
Property Development	611	725	-16%
Building Materials	145	110	32%
Others	20	12	70%
Total	1,346	1,392	-3%



Operating Profit Margin



Results Review

For the year ended 31 December

	2021	2020	Change
Construction	2.6%	2.7%	-4%
Property Development	25.8%	36.8%	-30%
Building Materials	6.2%	4.4%	41%
Others	4.6%	3.1%	48%

Business Structure

Results Review

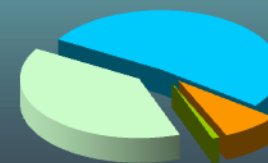
Revenue and profit breakdown by business segments

	<i>Revenue</i>	<i>Profit</i>
Construction	81%	42%
Property Development	9%	45%
Building Materials	9%	11%
Others	1%	2%

Revenue



Profit



■ Construction ■ Property Development ■ Building Materials ■ Others



Key Award projects



Results Review

<i>Projects Name</i>	<i>Awards</i>
Zhejiang Shuren College Shaoxing Campus Phase II Construction Project	National Quality Project
Wenzhou Economic and Technological Development District Marine Science and Technology Innovation Park Phase I Project	Qianjiang Cup
Yuyao Second People's Hospital Relocation Project	Qianjiang Cup
Century Plaza (Jialan Mingxuan) Project	Haihe Cup Golden Award
Plot No. 21, North Section of Erqi Yanjiang Core Business Area	Chutian Cup
Peacock City Aerospace Palace • Binjiang Garden Phase II	High-quality Construction Projects of Hubei Province
Guanggu Innovation World	Huanghe Cup
Hefei High-tech District Nangang Public Rental Housing	Mount Huang Cup
Mengcheng County Administrative Service Center	Shaohua Cup
Hefei 168 Rose Garden School South District	Hupo Cup
Shanghai Baoye Center	Second Prize of National Green Building Innovation Award





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	214,970	60%
Fengyue Shangzhu	Hangzhou	49,497	100%
Huajie Fengqing	Lishui	260,363	100%
Xishan Yueyuan	Lisuhi	116,905	100%
Baoye Phoenix One	Ningbo	84,005	100%
Baoye Active Hub	Shanghai	94,722	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 Qingchun Li	Shanghai	36,289	100%
Baoye Active Paradise	Shanghai	65,001	100%
Xingyu Fu	Wuhan	259,056	100%
Yuzhu Project	Wuhan	233,181	100%
Yuke Project	Wuhan	102,015	100%
Binhu Green Garden	Mengcheng	201,572	100%
Shidai Green Garden	Mengcheng	149,994	60%
Fuxing Jiayuan	Jieshou	467,293	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>
Yinghe Green Garden	Taihe	209,185	51%
Jiangnan Fu	Taihe	68,654	100%
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	217,323	100%
Xuefu Green Garden	Sixian	Under Planning	100%
Yeji Jiannan Fu	Lu'an	101,612	70%
Qinglan Green Garden	Bozhou	Under Planning	51%



Newly-acquired Land Reserves



*Results
Review*

Time	Location	Cost (RMB'000)	Land area (m ²)	Equity
May, 2021	Hangzhou City, Zhejiang Province	335,000	16,235	100%
June, 2021	Sixian County, Suzhou City, Anhui Province	300,000	111,955	100%
June, 2021	Qingpu District, Shanghai City	568,600	22,309	100%
August, 2021	Lishui City, Zhejiang Province	510,000	45,173	100%
September, 2021	Bozhou City, Anhui Province	565,000	171,179	51%

Building Materials



Results Review

Revenue breakdown

	2021 RMB'000	% of total	2020 RMB'000	% of total	Change
Curtain Wall	1,333,782	57%	1,094,197	44%	22%
Ready-mixed Concrete	171,188	7%	839,222	34%	-80%
Furnishings and Interior Decorations	228,152	10%	109,073	4%	109%
Wooden Products and Fireproof Materials	102,222	4%	81,359	4%	26%
PC assembly plate	268,585	12%	160,649	6%	67%
Steel Structure	27,575	1%	30,792	1%	-10%
Others	207,461	9%	171,114	7%	21%
Total	2,338,965	100%	2,486,406	100%	-6%



Key Financial Ratios

Financial Review

As at 31 December

	2021	2020
Return on equity	7.3%	8.0%
Net assets value per share (RMB yuan)	19.38	17.74
Net cash ratio	49.2%	44.5%
Current ratio	1.17	1.23



Financial Indicators Analysis

Financial Review

As at 31 December

	2021 RMB'000	2020 RMB'000
Cash and cash equivalents	7,813,911	7,261,532
Term deposits with initial term of over three months	318,452	282,157
Restricted bank deposits	1,263,180	1,553,935
Less : total borrowings	(4,052,346)	(4,653,855)
Net cash	5,343,197	4,443,769
Total equity attributable to the owner of the Company	10,866,213	9,979,693
Net cash ratio	49.2%	44.5%

Cash Flow Analysis

Financial Review

For the year ended 31 December

	Note	2021 RMB'000	2020 RMB'000
Cash inflow from operating activities	(i)	1,345,001	1,876,779
Cash inflow/(outflow) from investing activities	(ii)	188,779	(344,120)
Cash (outflow)/inflow from financial activities	(iii)	(977,719)	235,770
Net increase in cash and cash equivalents		556,061	1,768,429
Exchange losses on cash and cash equivalents		(3,682)	(11,865)



Notes to Cash Flow Analysis




Financial Review

Note:

i During the year, the net cash inflow from operating activities was approximately RMB1,345,001,000, a decrease of approximately RMB531,778,000 compared to the net cash inflow of approximately RMB1,876,779,000 of last year, which was primarily due to the increase of investment in properties under development during the year.

ii During the year, the net cash inflow from investing activities was approximately RMB188,779,000, an increase of approximately RMB532,899,000 compared to the net cash outflow of approximately RMB344,120,000 of last year, which was mainly due to the increase of disposal of financial assets at fair value through profit or loss.



iii During the year, the net cash outflow from financing activities is approximately RMB977,719,000, an increase of approximately RMB1,213,489,000 compared to the net cash inflow of approximately RMB235,770,000 of last year, which was mainly due to the decrease of bank borrowings because of the sufficient cash flow of the Group in 2021.



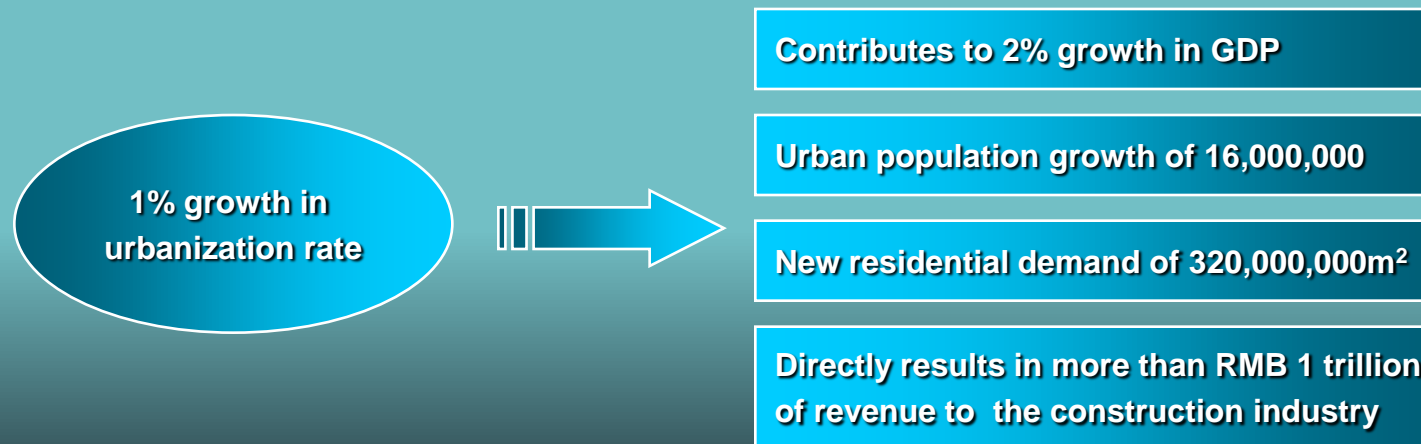
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Business Prospects



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.

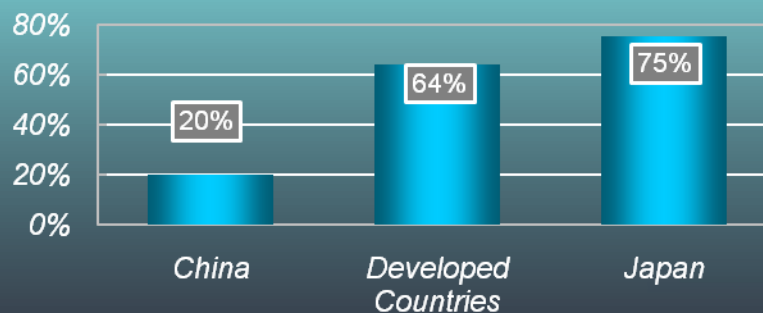


Prefabricated Building Materials Business



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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