



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

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2355)

**RESULTS OF ANNUAL GENERAL MEETING AND
EXTRAORDINARY GENERAL MEETING
2004 FINAL DIVIDENDS DISTRIBUTION**

The Board is pleased to announce that at the AGM held on 20 May 2005, all resolutions as set out in the notice of the AGM dated 1 April 2005 were duly passed by way of show of hands.

The Board is pleased to further announce that at the EGM held on 20 May 2005, all resolutions as set out in the Notices to approve the Construction Agreement and the Acquisition Agreement were duly passed by way of poll.

Reference is made to the circular ("**Circular**") dated 18 March 2005 issued by the Company. Unless the context otherwise requires, capitalised terms defined in the Circular shall have the same meanings when used therein.

RESULTS OF AGM

The Board is pleased to announce that at the annual general meeting ("**AGM**") of the Company held on 20 May 2005, all resolutions as set out in the notice of the AGM dated 1 April 2005 were duly passed by way of show of hands. None of the shareholders of the Company ("**Shareholders**") has proposed any motion at the AGM pursuant to resolution no. 8 as set out in the notice of the AGM. Details of the resolutions were set out in the notice of the AGM dated 1 April 2005.

RESULTS OF EGM

The Board is pleased to further announce that at the EGM held on 20 May 2005, all resolutions set out in the notices ("**Notices**") of the EGM dated 18 March and 6 April 2005 respectively to approve the Construction Agreement and the Acquisition Agreement were duly passed by way of poll. Tengis Limited, the H Shares registrar of the Company in Hong Kong, was appointed as the scrutineer at the EGM for the purpose of vote-taking.

The poll results taken at the EGM were as follows:

	Ordinary Resolutions (Extracted)	No. of votes cast and approximate percentage of total number of votes cast	
		For	Against
1.	Ordinary resolution numbered (1) to approve, among other matters, the Construction Agreement and all transactions contemplated therein, as set out in the Notices	387,329,753 (100%)	Nil (0%)
2.	Ordinary resolution numbered (2) to approve, among other matters, the Acquisition Agreement and all transactions contemplated therein, as set out in the Notices	188,576,699 (100%)	Nil (0%)

Please refer to the Notices for full version of the above ordinary resolutions.

As at the date of the EGM, the issued share capital of the Company was 567,562,853 shares ("**Shares**") of the Company. There were no Shares entitling the Shareholders to attend and vote only against the resolutions at the EGM.

Ordinary resolution numbered (1)

The total number of Shares entitling the Independent Shareholders to attend and vote for or against the ordinary resolution numbered (1) at the EGM was 567,562,853 Shares, representing 100% of the total issued share capital of the Company. No Shareholder is required to abstain from voting in respect of the ordinary resolution numbered (1) approving the Construction Agreement at the EGM.

Ordinary resolution numbered (2)

The total number of Shares entitling the Shareholders to attend and vote for or against the ordinary resolution numbered (2) at the EGM was 368,809,799 Shares, representing approximately 64.98% of the total issued share capital of the Company. In light of the interest of Mr. Pang, an executive Director and a substantial shareholder holding 198,753,054 Shares, in the Acquisition Agreement, Mr. Pang has abstained from voting in respect of the ordinary resolution numbered (2) approving the Acquisition Agreement at the EGM.

DISTRIBUTION OF DIVIDENDS

The method of payment of the dividend by the Company will be as follows:

- (1) Dividend payable to the holders of H Shares shall be calculated in RMB and paid in Hong Kong dollars. The following conversion formula shall apply:

$$\text{Dividend in Hong Kong dollar} = \frac{\text{Dividend in RMB}}{\text{Average mean price in RMB for every Hong Kong dollar published daily by The People's Bank of China over a period of one calendar week prior to the date of the announcement of the dividend}}$$

For the purpose of the distribution of dividend, the average exchange rate of RMB announced by The People's Bank of China for the past one week preceding the date of the announcement of the dividend is HK\$1 to RMB1.06088. Thus, the dividend per share in Hong Kong dollar is HK\$0.13536 for H Share holders.

- (2) Pursuant to the articles of association of the Company, the Company has appointed Bank of China (Hong Kong) Trustees Limited ("**Receiving Agent**") to receive the 2004 final dividends declared in respect of H Shares on behalf of holders of H Shares. Shareholders whose names appear on the Company's register of members on 20 May 2005 shall be entitled to the final dividend of RMB 0.1436 per share for the year 2004. The dividends warrants of H Shares together with the cheques will be issued by the Receiving Agent and will be posted by ordinary mail to holders of H Shares at their own risks on 8 June 2005.

* For identification purposes only

By order of the Board
Baoye Group Company Limited*
Pang Baogen
Chairman

Zhejiang Province, the PRC
20 May 2005

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Pang Baogen, Mr. Gao Jiming, Mr. Gao Lin and Mr. Zhou Hanwan; two non-executive Directors, namely Mr. Wu Weimin and Mr. Hu Shaozeng; and three independent non-executive Directors, namely Mr. Wang Youwei, Mr. Yi Deqing and Mr. Dennis Yin Ming Chan.