



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)

(Stock Code: 2355)

COMPLETION OF SUBSCRIPTION OF NEW H SHARES BY GOLDMAN SACHS (ASIA) FINANCE

Reference is made to the Announcement in relation to the Subscription Agreement.

The Board is pleased to announce that all of the conditions precedent to the Subscription Agreement have been fulfilled and completion of the subscription of 43,364,160 new H Shares by Goldman Sachs (Asia) Finance has taken place on 14 December 2005.

Reference is made to the announcement of the Company dated 3 November 2005 ("Announcement") in relation to the subscription of 43,364,160 new H Shares of the Company pursuant to the Subscription Agreement. Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Announcement.

The Board is pleased to announce that all of the conditions precedent to the Subscription Agreement have been fulfilled and completion of the subscription of 43,364,160 new H Shares by Goldman Sachs (Asia) Finance has taken place on 14 December 2005.

Immediately upon completion of the Subscription Agreement, Goldman Sachs (Asia) Finance holds 43,364,160 H Shares, representing about 16.67% and 7.10% respectively of the H Shares and the entire registered capital of the Company as enlarged by the Subscription.

On behalf of the Board
BAOYE GROUP COMPANY LIMITED
Pang Baogen
Chairman

Zhejiang Province, the PRC
14 December 2005

* For identification purpose only

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.