



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Baoye Group Company Limited (“Company”) will be held at 13th Floor, Development Building, No. 208 Jianhu Road, Keqiao, Shaoxing County, Zhejiang Province, the PRC on 10 March 2006 at 2:00 p.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions:

ORDINARY RESOLUTION

“**THAT** the agreement (the “Acquisition Agreement”) dated 23 December 2005 and conditionally entered into between the Company and 浙江寶業房地產集團有限公司 (Zhejiang Baoye Real Estate Group Company Limited*) as purchasers and 中國輕紡城集團楚雄房地產開發有限公司 (China Qingfangcheng Group Chuxiong Real Estate Company Limited*) as vendor, a copy of which has been produced to the meeting marked “A” and has been initialled by the Chairman of the meeting for identification purpose, be and is hereby approved and that any one director of the Company (the “Director”) be and is hereby authorised to do or execute for and on behalf of the Company all such acts and things and such other documents which in his opinion may be necessary, desirable or expedient to carry into effect or to give effect to the Acquisition Agreement and all transactions contemplated therein, including such changes and amendments thereto as any one Director may consider necessary, desirable and expedient.”

SPECIAL RESOLUTION

“**THAT**

- (a) the proposal (the “Proposed Issue”) to issue short-term commercial paper (the “Paper”) pursuant to which the Company may issue, on or prior to the 1st anniversary of the date of passing this resolution, the Paper with a maximum repayment amount of RMB500 million in accordance with the regulations promulgated from time to time by the People's Bank of China and any other applicable regulations, be and is hereby approved and that all the transactions contemplated thereby be and are hereby approved; and
- (b) the board of Directors (the “Board”), the Chairman of the Board or any committee comprising two or more Directors as duly authorised by the Board, be and are hereby authorised to take all actions which are, in its/his opinion, necessary, appropriate, desirable or expedient for the issue of the Paper and the transactions contemplated thereby and all other matters incidental thereto or in connection therewith (including without limitation the termination of the actual aggregate principal amount of the Paper, interest rate and underwriting arrangements) and to agree to the variation and waiver of any of the matters relating thereto that are, in its/his opinion, not material to the transactions contemplated thereby and are in the best interests of the Company.”

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

Shaoxing County, Zhejiang Province, the PRC
18 January 2006

Notes:

1. The register of members of the Company will be closed from 8 February 2006 to 10 March 2006 (both days inclusive), during which no transfer of shares can be registered.
2. Holders of domestic shares and H shares whose names appear on the register of members of the Company at 4:00 p.m. on 7 February 2006 are entitled to attend and vote at the meeting convened by the above notice and may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a member of the Company.
3. The Ordinary Resolution as set out above will be determined by way of a poll.

* For identification purpose only

4. In order to be valid, the proxy form must be deposited by hand or post, for holders of H Shares of the Company, to the H shares registrar of the Company, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
5. Shareholders or their proxies shall produce their identity documents when attending the meeting.
6. Shareholders who intend to attend the meeting should complete and return the reply slip and return it by hand or post to the share registrar of the Company (for holders of H shares) or to the registered office address of the Company (for holders of domestic shares) on or before 18 February 2006.
7. The meeting is expected to take a half day. Shareholders attending the meeting shall be responsible for their own travel and accommodation expenses.
8. The registered office address of the Company is as follows:
Yangxunqiao Township
Shaoxing County
Zhejiang Province
The People's Republic of China
9. As at the date hereof, the board or directors of the Company 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.

Please also refer to the published version of this announcement in South China Morning Post, and Hong Kong Economic Times.