



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)

**RESULTS OF ANNUAL GENERAL MEETING AND
2005 FINAL DIVIDENDS DISTRIBUTION**

The Board is pleased to announce that at the AGM held on 1 June 2006, all resolutions as set out in the notice of the AGM dated 7 April 2006 were duly passed by way of show of hands.

RESULTS OF AGM

The board (“**Board**”) of directors of Baoye Group Company Limited (“**Company**”) is pleased to announce that at the annual general meeting (“**AGM**”) of the Company held on 1 June 2006, all resolutions as set out in the notice of the AGM dated 7 April 2006 were duly passed by way of show of hands. None of the shareholders of the Company has proposed any motion at the AGM pursuant to resolution no. 7 as set out in the notice of the AGM. Details of the resolutions were set out in the notice of the AGM dated 7 April 2006.

DISTRIBUTION OF DIVIDENDS

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

- (1) Dividend payable to the holders of overseas listed foreign shares in the ordinary share capital of the Company (“**H Shares**”), with a nominal value of RMB1.00 each, shall be calculated in Renminbi (“**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 RMB1.034556. Thus, the dividend per share in Hong Kong dollar is HK\$0.116 for holders of H Shares.

- (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 2005 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 1 June 2006 shall be entitled to the final dividend of RMB 0.12 per share for the year 2005. 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 12 July 2006.

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

Zhejiang Province, the PRC
1 June 2006

* For identification purposes 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; one non-executive director, namely 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.