

# NOTICE OF ANNUAL GENERAL MEETING



## 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 IS HEREBY GIVEN** that an annual general meeting ("AGM") of Baoye Group Company Limited ("Company") will be held at 13th floor, Development Building, No. 208 Jianhu Road, Keqiao, Shaoxing County, Zhejiang Province, the People's Republic of China ("PRC") on 1 June 2006 at 2:30 pm. for the following purposes:

- I. As ordinary resolutions:
1. To consider and approve the report of the board of directors of the Company ("Board") for the year 2005;
  2. To consider and approve the report of the supervisory committee of the Company for the year 2005;
  3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries (together the "Group") and the auditors' reports for the year ended 31 December 2005;
  4. To authorise the Board to decide the matters relating to the payment of final dividend for the year 2005;
  5. To re-appoint PricewaterhouseCoopers as the Company's international auditors, and to re-appoint Shine Wing CPAs as the Company's PRC statutory auditors and to authorise the Board to fix their remuneration;
  6. To consider and approve the resignation of Mr. Wu Weimin as the Company's non-executive director;
  7. To consider and approve any motion proposed by any shareholder of the Company holding 5 % or more of the shares with voting rights at such meeting, if any;

II. As special resolution

8. To consider and, if thought fit, pass the following as special resolution:

**"THAT:**

- (a) Subject to sub-paragraphs (c) and (d) herein below and pursuant to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") (as the same may be amended from time to time) and the Company Law of the PRC ("PRC Company Law"), the directors of the Company are generally and unconditionally authorised to exercise all the rights of the Company, to allot and issue new shares and dispose of outstanding shares of the Company individually and collectively during the Relevant Period (as defined below) and to determine the terms and conditions in relation to the allotment and issue of new share including, inter alia:
- i. the type and number of new shares to be issued;
  - ii. the issue price of the new shares;
  - iii. the date for the commencement and closing of the issue;
  - iv. the class and the number of new shares to be issued to the existing shareholders;
  - v. to make, execute or grant offer proposals, agreements and options as may be necessary in the exercise of such powers; and
  - vi. all other matters in relation thereto.
- (b) The directors of the Company are authorised to make or grant offer proposals, agreements and options as required or may be required in the exercise of such powers during the Relevant Period as referred to in sub-paragraph (a) or after the expiry of the Relevant Period.
- (c) The total nominal amount of overseas listed foreign shares, domestic shares and non-H foreign shares (other than those issued under the PRC Company Law and the Article of Association of the Company by the capitalisation of the statutory capital reserve fund) agreed to allot and/or conditionally or unconditionally agreed to be allotted by the directors of the Company pursuant to sub-paragraph (a) above (whether pursuant to exercise of options of otherwise) shall not exceed 20% of such class of the shares of the Company existing in issue.

\* For identification purpose only

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- (d) Upon the exercise of the powers pursuant to sub-paragraph (a) above, the directors of the Company shall comply with the PRC Company Law and the Listing Rules (as the same may be amended from time to time) and obtain the approval from the China Securities Regulatory Commission.
- (e) For the purpose of this resolution:
- “Relevant Period” refers to the period from the date of the passing of this resolution to the earliest of the following three:
- (a) twelve months after the passing of this resolution;
  - (b) conclusion of the next annual general meeting of the Company; and
  - (c) the date of the passing of a special resolution to revoke or amend the mandate as referred to in this resolution by shareholders in shareholders’ general meeting.
- (f) subject to the approval by the relevant authorities of the PRC and pursuant to the PRC Company Law, when exercising the powers under sub-paragraph (a) above, the directors of the Company are authorised to increase the registered capital of the Company to the required amount respectively and attend to the relevant registration procedures with the relevant authorities in the PRC, Hong Kong or such other relevant place.
- (g) subject to the approval by the relevant authorities of the PRC, the Board is authorised to make appropriate and necessary amendments to the Articles of Association of the Company, so as to reflect the changes in the capital of the Company that may have arisen under this mandate.”

*Executive Directors*

Mr. PANG Baogen  
Mr. GAO Jiming  
Mr. GAO Lin  
Mr. ZHOU Hanwan

*Non-executive Director*

Mr. HU Shaozeng

*Independent non-executive Directors*

Mr. WANG Youwei  
Mr. YI Deqing  
Mr. Dennis Yin Ming Chan

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

Zhejiang Province, the PRC  
7 April 2006

*Notes:*

1. The register of members of the Company will be closed from 3 May 2006 to 1 June 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 before 4:00 pm. on 2 May 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. 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 26/F, Tesbury Centre, 28 Queen’s Road East, 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 authorities, a notorially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
4. Shareholders or their proxies shall produce their identity documents when attending the meeting.
5. 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 11 May 2006.
6. The meeting is expected to take half a day. Shareholders attending the meeting shall be responsible for their own travel and accommodation expenses.
7. The registered office address of the Company is as follows:  
  
Yangxunqiao Township  
Shaoxing County  
Zhejiang Province  
The People’s Republic of China  
Tel: 86-575-4135837  
Fax: 86-575-4118792  
Post Code: 312028
8. As at the date hereof, 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.