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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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the “**AGM**”) of Baoye Group Company Limited (the “**Company**”) will be held at 2nd Floor, Baoye Group, No. 501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the People’s Republic of China (the “**PRC**”) at 9:00 a.m. on 14 June 2014 for the following purposes:

I. As ordinary resolutions:

1. To consider and approve the report of the board (the “**Board**”) of directors (the “**Directors**”) of the Company for the year ended 31 December 2013;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2013;
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) and the report of the auditors of the Company for the year ended 31 December 2013;
4. To authorise the Board to decide the matters relating to the payment of final dividend for the year ended 31 December 2013;
- 5A. To re-appoint PricewaterhouseCoopers as the Company’s international auditors and to authorise the Board to fix their remuneration;
- 5B. To re-appoint PricewaterhouseCoopers Zhongtian CPAs as the Company’s PRC statutory auditors and to authorise the Board to fix their remuneration;

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6. To consider and approve the re-election of the Company's fifth Board of Directors;
- 6A. To consider and approve the re-election of Mr. Pang Baogen as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6B. To consider and approve the re-election of Mr. Gao Lin as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6C. To consider and approve the re-election of Mr. Gao Jiming as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6D. To consider and approve the re-election of Mr. Gao Jun as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6E. To consider and approve the re-election of Mr. Jin Jixiang as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6F. To consider and approve the re-election of Mr. Fung Ching, Simon, as a non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6G. To consider and approve the re-election of Mr. Chan Yin Ming, Dennis as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6H. To consider and approve the re-election of Mr. Wang Youqing as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6I. To consider and approve the re-election of Mr. Zhao Rulong as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
7. To consider and approve the election the Company's fifth Supervisory Committee;
- 7A. To consider and approve the re-election of Mr. Kong Xiangquan as a supervisor of the Company and to authorise the Board to fix his remuneration;
- 7B. To consider and approve the election of Mr. Xu Gang as a supervisor of the Company and to authorise the Board to fix his remuneration;
- 7C. To consider and approve the election of Mr. Wang Jianguo as a supervisor of the Company and to authorise the Board to fix his remuneration;
- 7D. To consider and approve the re-election of Mr. Li Yongsheng as an independent supervisor of the Company and to authorise the Board to fix his remuneration;

- 7E. To consider and approve the re-election of Mr. Zhang Xindao as an independent supervisor of the Company and to authorise the Board to fix his remuneration;
8. 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 resolutions

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

“**THAT** subject to the approval by the relevant authorities of the PRC, the original articles of association shall be amended as set out in Appendix II of the circular of the Company dated 25 April 2014.”

10. 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 (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as the same may be amended from time to time) and the Company Law of the PRC (the “**PRC Company Law**”), the Directors 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 in sub-paragraph (e) below) and to determine the terms and conditions in relation to the allotment and issue of new shares 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 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 defined in sub-paragraph (e) below) as referred to in sub-paragraph (a) or after the expiry of the Relevant Period.

- (c) The total nominal amount of H Shares (as defined in sub-paragraph (e) below), Domestic Shares (as defined in sub-paragraph (e) below) and non-H foreign shares (other than those issued under the PRC Company Law and the articles of association of the Company (the “**Articles of Association**”) by the capitalisation of the statutory capital reserve fund) agreed to be allotted and/or conditionally or unconditionally agreed to be allotted by the Directors pursuant to sub-paragraph (a) above (whether pursuant to the exercise of option or otherwise) shall not exceed 20% of such class of the shares of the Company existing in issue.
- (d) Upon the exercise of the powers pursuant to sub-paragraph (a) above, the Directors 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:
- “Domestic Shares” means the domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which were subscribed for in Renminbi;
- “H Shares” means the overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars;
- “Relevant Period” means the period from the date of the passing of this resolution to the earliest of the following three:
- (i) twelve months after the passing of this resolution;
 - (ii) conclusion of the next annual general meeting of the Company; and
 - (iii) the date of the passing of a special resolution to revoke or amend the mandated 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 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.”

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

“THAT:

To authorise the board to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this special resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the AGM of the Company to be held on 14 June 2014 (or on such adjourned date as may be applicable); and the class meetings for holders of H Shares of the Company and for holders of Domestic Shares of the Company to be held on 14 June 2014 (or on such adjourned date as may be applicable); and
 - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meeting;

- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
- (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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

Zhejiang Province, the PRC
25 April 2014

Notes:

1. The register of members of the Company will be closed from 14 May 2014 to 14 June 2014, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Shares registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or to the office address of the Company at No. 501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares), no later than 4:30 p.m. on 13 May 2014.
2. Holders of Domestic Shares and H Shares whose names appear on the register of members of the Company on 27 June 2014 are entitled to receive the final dividend.
3. Holders of Domestic Shares and H Shares entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a member of the Company.
4. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H Shares of the Company, to the H Shares registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, and for holders of Domestic Shares of the Company, to the office address of the Company at No.501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) before the time for holding the meeting or not less than 48 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 present their identity documents when attending the meeting.

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6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. On a poll, every shareholder present in person or by proxy shall have one vote for each share registered in his/her name in the register of members. A shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same manner.
7. Shareholders who intend to attend the AGM should complete and return the reply slip and return it by hand or by post to the share registrar of the Company (for holders of H Shares) or to the office address of the Company (for holders of Domestic Shares) on or before 9 June 2014.
8. The AGM is expected to take half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang; one non-executive Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.