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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)

Profit Warning

This announcement is made by Baoye Group Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the provision of construction services, production and sale of construction materials and property development. Based on the information currently available to the Group, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Group is expected to record a decline in net profit for the six months ended 30 June 2015 as compared to the corresponding period in 2014. Such decrease is mainly attributable to the reason that certain property sale units, which had been pre-sold before the six months ended of 30 June 2015, cannot be delivered to the purchasers in accordance with the anticipated completion schedule, i.e. by 30 June 2015. For this reason, the sales revenue of such property sale units cannot be recognised in the accounts of the Group for the six months ended 30 June 2015, resulting in a decrease in the Group's net profit for the six months ended 30 June 2015. These property sale units are expected to be delivered to the purchasers in the second half of 2015 and thus the revenue from these property

sale units would be recognised in the accounts of the Group in the second half of 2015.

The information contained in this announcement is based on the preliminary review and assessment by the management of the Company according to the information currently available to the Board. Whilst it should be noted that it is not based on any figures or information being audited or reviewed by the Company's auditors. The details of the Group's interim results announcement for the six months ended 30 June 2015 is expected to be published before the end of August 2015.

The Board would also like to inform the shareholders and potential investors that despite the significant decrease in net profits for the six months ended 30 June 2015, the Directors consider the overall operation as a whole remain sound and intact, and the financial position of the Group remains solid.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.

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

Zhejiang Province, the PRC
9 July 2015

* *For identification purpose only*

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; and one non-executive Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Li Wangrong and Ms. Liang Jing.