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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)

**The Announcement Notifying Creditors for Obtaining a General Mandate to Repurchase H Shares**

Baoye Group Company Limited\* (the “**Company**”) convened the 2018 annual general meeting, the class meeting of the shareholders of the Company’s domestic shares and the class meeting of the shareholders of the Company’s H shares on 24 June 2019, and the shareholders of the Company granted a general mandate to the board of directors (the “**Board**”) of the Company to, by reference to needs and market conditions and approval(s) of the relevant regulatory authorities being obtained with compliance to all applicable laws, rules, administrative regulations and the articles of association of the Company (the “**Articles**”), repurchase the Company’s H shares (the “**H Shares**”), subject to a restriction that the aggregate number of H Shares repurchased must not exceeding 10% of the aggregate nominal value of H Shares in issue as at the date when the relevant resolution was passed in a timely manner within the relevant period as authorised. If the aforementioned general mandate is exercised by the Board, according to the relevant provisions of the PRC Company Law and the Articles, the Company will cancel the H shares being repurchased and the Company’s registered capital will be reduced accordingly.

In accordance with relevant provisions of the Article 178 of the PRC Company Law and Article 33 of the Articles, the Company shall notify its creditors within 10 days from the date of the Company’s resolution for the reduction of registered capital and shall publish an announcement in a newspaper within 30 days from the date of such resolution. A creditor has the right, within 30 days upon receiving the notice from the Company or, in the case of a creditor who has not received such notice, within 45 days from the date of the announcement, to require the Company to repay its debts or provide corresponding guarantee for such indebtedness. Accordingly, the Company sets out the following announcement:

The Company has maintained stable and continuous development in recent years. In order to warrant and share these benefits with all our shareholders, the Board resolved to repurchase some listed H shares and after repurchasing of the H shares, such H shares shall be cancelled and the registered capital of the Company will be reduced pursuant to the applicable laws and regulations. The Company makes this announcement for the purpose of preserving the rights and privileges of the creditors of the Company. A creditor has the right, within 30 days upon receiving the notice from the Company or, in the case of a creditor who has not received such notice, within 45 days from the date of the announcement, to require the Company to repay its indebtedness or provide corresponding guarantee for such indebtedness together with the valid documents of such indebtedness and proper identification should a creditor requires the Company to repay its indebtedness or provide corresponding guarantee for such indebtedness.

**Investors and shareholders are advised to exercise caution when dealing in the shares of the Company.**

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

Zhejiang, the People's Republic of China  
27 June 2019

*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, Mr. Fung Ching, Simon and three independent non-executive Directors, namely, Mr. Chan Yin Ming, Dennis, Mr. Li Wangrong and Ms. Liangjing.*

*\* For identification purpose only*