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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)

**ANNOUNCEMENT**  
**PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,**  
**RULE 13.09(2)(a) OF THE LISTING RULES**  
**AND**  
**INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF THE**  
**SECURITIES AND FUTURES ORDINANCE**  
**AND**  
**END OF OFFER PERIOD**

This announcement is made by the board of directors (the “**Board**”) of Baoye Group Company Limited (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09(2)(a) 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (1) the announcement of the Company dated 10 May 2020 (the “**Rule 3.7 Announcement**”) pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09(2)(a) of the Listing

Rules, the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and (2) the announcements of the Company dated 10 June 2020, 10 July 2020, 7 August 2020, 9 September 2020, and 15 October 2020 each pursuant to Rule 3.7 of the Takeovers Code. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Rule 3.7 Announcement.

## **UPDATE ON THE POTENTIAL TRANSACTION**

The Board wishes to update the shareholders and potential investors of the Company on the Potential Transaction.

On 9 November 2020 (after trading hours), the Board received a letter issued by the controlling shareholder of the Company advising that he has decided not to proceed further with the Potential Transaction.

## **END OF OFFER PERIOD**

For the purpose of the Takeovers Code, the offer period in relation to the Potential Transaction, which commenced on 10 May 2020, ends on the date of this announcement.

Pursuant to Rule 31.1(b) of the Takeovers Code, except with the consent of the Executive of the Corporate Finance Division of the Securities and Futures Commission, neither the controlling shareholder of the Company nor any person acting in concert with it, nor any person who is subsequently acting in concert with any of them may, within six months from the date on which the offer period in relation to the Potential Transaction is closed (i.e. 9 November 2020) either:

- (i) announce an offer or possible offer for the Company (including a partial offer which could result in the controlling shareholder of the Company holding shares of the Company carrying 30% or more of the voting rights of the Company); or
- (ii) acquire any voting rights of the Company if the controlling shareholder of the Company or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).**

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

Zhejiang, the People's Republic of China

9 November 2020

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*

*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. Li Wangrong and Ms. Liang Jing*

*\*For identification purposes only*