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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)

RESULTS OF AGM AND DISTRIBUTION OF DIVIDEND

The board ("**Board**") of directors of Baoye Group Company Limited ("**Company**") is pleased to announce that at the annual general meeting ("**AGM**") of the Company held on 26 June 2009, all resolutions as set out in the notice of the AGM dated 27 April 2009 ("**AGM Notice**") were duly passed by way of poll, which was demanded by the Chairman. None of the shareholders of the Company has proposed any motion at the AGM pursuant to resolution No.6 as set out in the AGM Notice. Details of the resolutions were set out in the AGM Notice.

As at the date of the AGM, the total number of issued shares of the Company was 662,964,005, comprising 350,742,053 domestic shares and 312,221,952 H Shares (as defined below), which was the total number of shares entitling the holders to attend and vote for or against the resolutions at the AGM. There were no restrictions on any shareholders casting votes on any of the resolutions at the AGM.

The Company's H share registrar in Hong Kong, Tricor Tengis Limited, was appointed as scrutineer of the vote-taking at the AGM. The poll results in respect of the resolutions are as follows:

| Resolutions | Number of votes cast and approximate percentage of total number of votes cast | Total votes |
|--------------------|--|--------------------|
|--------------------|--|--------------------|

| Ordinary Resolutions | | For | Against | |
|---------------------------|---|-------------------------|-----------------------|-------------|
| 1 | To consider and approve the report of the board (“ Board ”) of directors (“ Directors ”) of the Company for the year 2008 | 388,327,442 (100%) | 0 (0%) | 388,327,442 |
| 2 | To consider and approve the report of the supervisory committee of the Company for the year 2008 | 388,327,442 (100%) | 0 (0%) | 388,327,442 |
| 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 2008 | 388,327,442 (100%) | 0 (0%) | 388,327,442 |
| 4 | To authorise the Board to decide the matters relating to the payment of final dividend for the year 2008 | 388,327,442 (100%) | 0 (0%) | 388,327,442 |
| 5A | To re-appoint PricewaterhouseCoopers as the Company’s international auditors and to authorise the Board to fix their remuneration | 388,327,442 (100%) | 0 (0%) | 388,327,442 |
| 5B | To re-appoint ShineWing CPAs as the Company’s PRC statutory auditors and to authorise the Board to fix their remuneration | 388,327,442 (100%) | 0 (0%) | 388,327,442 |
| Special Resolution | | | | |
| 7 | To approve the general mandate to allot new shares | 358,045,442 (92.20%) | 30,282,000 (7.80%) | 388,327,442 |

As more than 50% votes were casted in favour of the ordinary resolutions numbered 1 to 5B, the ordinary resolutions were duly passed as ordinary resolutions of the Company by way of poll.

As more than 75% votes were casted in favour of the special resolution numbered 7, the special resolution was duly passed as a special resolution of the Company by way of poll.

DISTRIBUTION OF DIVIDEND

The method of payment of the dividend by the Company will be as follows:

- Dividend payable to the holders of overseas listed foreign shares in the ordinary share capital of the Company (“**H Shares**”), with a nominal value of RMB1.00 each, shall be calculated in Renminbi (“**RMB**”) and paid in Hong Kong dollars. The following conversion formula shall apply:

$$\text{Dividend per share in Hong Kong dollar} = \frac{\text{Dividend per share in RMB}}{\text{Average price in RMB for every Hong Kong dollar published daily by the People's Bank of China over a period of five working days prior to the date of this announcement}}$$

For the purpose of the distribution of dividend, the average exchange rate of RMB announced

by the People's Bank of China for the past five working days preceding the date of this announcement is HK\$1 to RMB0.881642. Thus, the dividend per share in Hong Kong dollar is HK\$ 0.0907 (pre-tax) for holders of H Shares.

2. According to the "Enterprise Income Tax Law of the People's Republic of China" and the "Detailed Rules for Implementation of the Enterprise Income Tax Law of the People's Republic of China", which came into effect on 1 January 2008, any H shares registered in the name of non-resident enterprise shareholders (including corporate nominees or trustees) are subject to a 10% withholding tax for the dividend repatriated by the Company. Accordingly, in respect of all shareholders whose names appear on the register of members for H Shares of the Company as at 26 June 2009 who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees, and other entities or organizations that are all considered as non-resident enterprise shareholders), the Company will distribute the final dividends after deducting income tax of 10%. The Company will not withhold and pay income tax in respect of the dividends payable to any natural person shareholders whose names appear on the Company's register of members for H Shares as at 26 June 2009.

The Company will withhold payment of enterprise income tax strictly in accordance with the relevant laws or requirements of the relevant governmental departments and strictly based on what has been registered on the Company's register of members for H Shares on the record date (i.e. 26 June 2009). The Company assumes no liability whatsoever in respect of and will not entertain any claims arising from delay in, or inaccurate determination of, the status of the shareholders or any disputes over the mechanism of withholding of enterprise income tax.

3. Pursuant to the articles of association of the Company, the Company has appointed Bank of China (Hong Kong) Trustees Limited ("**Receiving Agent**") to receive the 2008 final dividends declared in respect of H Shares on behalf of holders of H Shares. Shareholders whose names appear on the Company's register of members for H Shares on 26 June 2009 shall be entitled to the final dividend of RMB0.08 (pre-tax) per share for the year 2008. The dividend warrants of H Shares together with the cheques will be issued by the Receiving Agent and will be posted by ordinary mail to holders of H Shares at their own risks on 15 July 2009.

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

Zhejiang Province, the People's Republic of China
26 June 2009

** 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. Zhou Hanwan and Mr. Wang Rongfu; and five independent non-executive directors, namely Mr. Wang Youwei, Mr. Yi Deqing, Mr. Hu Shaozeng, Mr. Chan Yin Ming, Dennis and Mr. Sun Chuanlin.