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宝业集团股份有限公司

BAOYE GROUP COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 2355)

Resignation and Appointment of Director and Supervisor

Resignation of independent non-executive director

The board of directors (the "Board") of Baoye Group Company Limited (the "Company") announces that Mr. Sun Chuanlin has tendered his resignation as an independent non-executive director of the Company with effective upon the conclusion of the annual general meeting of the Company scheduled to be held on 17 June 2010 (the "AGM") due to personal reason. Mr. Sun has confirmed that he has no disagreement with the Board and there are no other matters relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its gratitude to Mr. Sun for his valuable contribution to the Company and the Board during his tenure of office.

Resignation of independent supervisor

The Board of the Company announces that Mr. Chen Xingquan has tendered his resignation as an independent supervisor of the Company with effective upon the conclusion of the AGM due to personal reason. Mr. Chen has confirmed that he has no disagreement with the Board and the Supervisory Committee and there are no other matters relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its gratitude to Mr. Chen for his valuable contribution to the Company and the Supervisory Committee during his tenure of office.

Proposed appointment of independent non-executive director

The Board proposes to appoint Mr. Wang Youqing as an independent non-executive director of the Company. The appointment of Mr. Wang is subject to the approval of the shareholders of the Company at the AGM.

Mr. Wang Youqing, born in 1946, graduated from East China University of Political Science and Law, holds a senior district attorney qualification. Mr. Wang is a member of Communist Party of China and was a chief district attorney of the People's District Attorney Department of Shaoxing County, the chief district attorney and general secretary of the People's District Attorney Department of Shaoxing City and a deputy director of the Standing Committee of People's Congress in Shaoxing City.

Save as disclosed herein, Mr. Wang has not held any directorships in other listed public companies in the three years prior to the date of this announcement.

Mr. Wang will execute an appointment letter with the Company which provides for a term of appointment commencing from the conclusion of the AGM and expiring upon the expiry of the third term of the Board, which is to expire at the conclusion of the 2010 annual general meeting of

the Company. The emolument of Mr. Wang will be determined by the Board, with reference to his duties, responsibilities and the prevailing market conditions, as authorized by the shareholders of the Company at the AGM.

Apart from being a proposed candidate for an independent non-executive director of the Company, Mr. Wang does not have any relationship with any of the directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date of this announcement, Mr. Wang does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there are no other matters relating to the appointment of Mr. Wang that needs to be brought to the attention of the shareholders of the Company, and there is no other information to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”).

The Board extends its warm welcome to Mr. Wang Youqing

Proposed appointment of supervisor

The Board proposes to appoint Mr. Yuan Ajin as a supervisor of the Company. The appointment of Mr. Yuan is subject to the approval of the shareholders of the Company at the AGM.

Mr. Yuan Ajin, born in 1949, is a qualified senior engineer and the deputy general manager of Zhejiang Baoye Construction Group Equipment Leasing Company. He joined the Group in 1975. Mr. Yuan is one of the promoters of the Company.

Save as disclosed herein, Mr. Yuan has not held any directorships in other listed public companies in the three years prior to the date of this announcement.

Mr. Yuan will execute a service contract with the Company which provides for a term of appointment commencing from the conclusion of the AGM and expiring upon the expiry of the third term of the Supervisory Committee, which is to expire at the conclusion of the 2010 annual general meeting of the Company. The emolument of Mr. Yuan will be determined by the Board, with reference to his duties, responsibilities and the prevailing market conditions, as authorized by the shareholders of the Company at the AGM.

Apart from being a proposed candidate for a supervisor of the Company, Mr. Yuan does not have any relationship with any of the directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date of this announcement, Mr. Yuan does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there are no other matters relating to the appointment of Mr. Yuan that needs to be brought to the attention of the shareholders of the Company, and there is no other information to be disclosed pursuant to any of the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules.

The Board extends its warm welcome to Mr. Yuan Ajin.

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

Zhejiang Province, the People's Republic of China

29 March 2010

* 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 four independent non-executive directors, namely Mr. Wang Youwei, Mr. Yi Deqing, Mr. Hu Shaozeng, Mr. Chan Yin Ming, Dennis and Mr. Sun Chuanlin.