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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,
DISTRIBUTION OF DIVIDEND AND
APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND
SUPERVISOR**

The board (“**Board**”) of directors of Baoye Group Company Limited (“**Company**”) is pleased to announce that at the annual general meeting of the Company held on 17 June 2010 (“**AGM**”), all resolutions as set out in the notice of the AGM dated 19 April 2010 (“**AGM Notice**”) were duly passed by way of poll as required by the Listing Rules. None of the shareholders of the Company has proposed any motion at the AGM pursuant to resolution No.7 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, Tricor Tengis Limited, was appointed as scrutineer for the purpose of 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 number of votes
		For	Against	
Ordinary Resolutions				
1	To consider and approve the report of the board (“ Board ”) of directors (“ Directors ”) of the Company for the year ended 31 December 2009	391,317,153 (100%)	0 (0%)	391,317,153
2	To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2009	391,317,153 (100%)	0 (0%)	391,317,153
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 2009	391,025,153 (100%)	0 (0%)	391,025,153
4	To authorise the Board to decide the matters relating to the payment of final dividend for the year ended 31 December 2009	391,317,153 (100%)	0 (0%)	391,317,153
5A	To re-appoint PricewaterhouseCoopers as the Company’s international auditors and to authorise the Board to fix their remuneration	391,317,153 (100%)	0 (0%)	391,317,153
5B	To re-appoint ShineWing CPAs as the Company’s PRC statutory auditors and to authorise the Board to fix their remuneration	391,317,153 (100%)	0 (0%)	391,317,153
6A	To consider and approve the appointment of Mr. Wang Youqing as an independent non-executive director of the Company and to authorize the Board to fix his emoluments	391,317,153 (100%)	0 (0%)	391,317,153
6B	To consider and approve the appointment of Mr. Yuan Ajin as a supervisor of the Company and to authorize the Board to fix his emoluments	391,117,153 (99.95%)	200,000 (0.05%)	391,317,153
Special Resolution				
8	To approve the general mandate to allot new shares	349,966,442 (89.43%)	41,350,711 (10.57%)	391,317,153

As more than 1/2 votes were casted in favour of the ordinary resolutions numbered 1 to 6B, the ordinary resolutions were duly passed as ordinary resolutions of the Company by way of poll.

As more than 2/3 votes were casted in favour of the special resolution numbered 8, 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:

1. 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 RMB0.8755. Thus, the dividend per share in Hong Kong dollar is HK\$ 0.1485 (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 17 June 2010 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 17 June 2010.

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. 17 June 2010). 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 2009 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 17 June 2010

shall be entitled to the final dividend of RMB0.13 (pre-tax) per share for the year 2009. 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 13 July 2010.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND SUPERVISOR

Reference is made to the announcement of the Company dated 29 March 2010 and the AGM Notice.

The Board is pleased to announce the appointment of Mr. Wang Youqing as an independent non-executive Director and Mr. Yuan Ajin as a supervisor of the Company with the approval of the shareholders of the Company at the AGM with effect from 17 June 2010.

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. Mr. Wang has retired and he has not held any positions within the Group.

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 appointed as 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").

Mr. Yuan Ajin, born in 1949, is a qualified engineer and the deputy general manager of the equipment leasing department of Zhejiang Baoye Construction Group Company Limited, a subsidiary of the Group. 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 enter into 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 appointed as 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.

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

Zhejiang Province, the People's Republic of China
17 June 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 five independent non-executive directors, namely Mr. Wang Youwei, Mr. Yi Deqing, Mr. Hu Shaozeng, Mr. Chan Yin Ming, Dennis and Mr. Wang Youqing.