

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROPOSED CHANGE IN THE PRC STATUTORY AUDITOR

Baoye Group Company Limited (the "**Company**") appointed PricewaterhouseCoopers ("PwC Hong Kong") as the Company's international auditor to report on the Group's financial statements which are prepared in accordance with the Hong Kong Financial Reporting Standards for the purpose of fulfilling the financial reporting requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and Shine Wing CPAs Company Limited ("Shine Wing CPAs") as the Company's PRC statutory auditor to report on the Group's financial statements which are prepared in accordance with the China Accounting Standards for the year ended 31 December 2010. Such appointments were approved at the 2009 annual general meeting of the Company which was held on 17 June 2010.

In order to improve efficiency and reduce cost, the board of directors of the Company (the "**Board**") proposes, subject to the approval by the shareholders of the Company at the annual general meeting for the year 2010 (the "**AGM**") to be convened, to appoint PricewaterhouseCoopers Zhong Tian Certified Public Accountants Company Limited. ("PwC ZT") as its PRC statutory auditor to replace Shine Wing CPAs.

Shine Wing CPAs has confirmed that there are no matters regarding the proposed ceasing of re-appointment that need to be brought to the attention of the shareholders of

the Company. The Board is also not aware of any matter regarding the proposed ceasing of re-appointment that needs to be brought to the attention of shareholders of the Company.

A resolution will be proposed at the AGM to consider and, if thought fit, approve the re-appointment of PwC Hong Kong as the Company's international auditor and the appointment of PwC ZT as the Company's PRC statutory auditor. The proposed resolution will be included in the forthcoming Notice of Annual General Meeting of the Company.

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

Zhejiang, the People's Republic of China
28 March 2011

**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.