

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting (“AGM”) of Baoye Group Company Limited (“**Company**”) will be held at 2nd Floor, Baoye Group, No.501, Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the People’s Republic of China (“**PRC**”) at 2:30 p.m. on 17 June 2010 for the following purposes:

I As 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;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2009;
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries (“**Group**”) and the report of the auditors of the Company for the year ended 31 December 2009;
4. To authorise the Board to decide the matters relating to the payment of final dividend for the year ended 31 December 2009;
- 5A. To re-appoint PricewaterhouseCoopers as the Company’s international auditors and to authorise the Board to fix their remuneration;

* For identification purposes only

- 5B. To re-appoint ShineWing CPAs as the Company's PRC statutory auditors and to authorise the Board to fix their remuneration;
- 6A. To consider and approve the appointment of Mr. Wang Youqing as an independent non-executive director of the Company and to authorise the Board to fix his emoluments;
- 6B. To consider and approve the appointment of Mr. Yuan Ajin as a supervisor of the Company and to authorise the Board to fix his emoluments;
- 7. To consider and approve any motion proposed by any shareholder of the Company holding 5% or more of the shares with voting rights at such meeting, if any;

II As special resolution:

- 8. To consider and, if thought fit, pass the following as special resolution:

“THAT:

- (a) Subject to sub-paragraphs (c) and (d) herein below and pursuant to The Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (as the same may be amended from time to time) and the Company Law of the PRC (“**PRC Company Law**”), the Directors are generally and unconditionally authorised to exercise all the rights of the Company, to allot and issue new shares and dispose of outstanding shares of the Company individually and collectively during the Relevant Period and to determine the terms and conditions in relation to the allotment and issue of new shares including, inter alia:
 - i. the type and number of new shares to be issued;
 - ii. the issue price of the new shares;
 - iii. the date for the commencement and closing of the issue;
 - iv. the class and the number of new shares to be issued to the existing shareholders;
 - v. to make, execute or grant offer proposals, agreements and options as may be necessary in the exercise of such powers; and
 - vi. all other matters in relation thereto.
- (b) The Directors are authorised to make or grant offer proposals, agreements and options as required or may be required in the exercise of such powers during the Relevant Period (as defined below) as referred to in sub-paragraph (a) or after the expiry of the Relevant Period.

- (c) The total nominal amount of H Shares (as defined below), Domestic Shares (as defined below) and non-H foreign shares (other than those issued under the PRC Company Law and the articles of association of the Company (“**Articles of Association**”) by the capitalisation of the statutory capital reserve fund) agreed to be allotted and/or conditionally or unconditionally agreed to be allotted by the Directors pursuant to sub-paragraph (a) above (whether pursuant to the exercise of option or otherwise) shall not exceed 20% of such class of the shares of the Company existing in issue.
- (d) Upon the exercise of the powers pursuant to sub-paragraph (a) above, the Directors shall comply with the PRC Company Law and the Listing Rules (as the same may be amended from time to time) and obtain the approval from the China Securities Regulatory Commission.
- (e) For the purpose of this resolution:
- “H Shares” mean the overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars;
- “Domestic Shares” mean the domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which were subscribed for in Renminbi;
- “Relevant Period” means the period from the date of the passing of this resolution to the earliest of the following three:
- i. twelve months after the passing of this resolution;
 - ii. conclusion of the next annual general meeting of the Company; and
 - iii. the date of the passing of a special resolution to revoke or amend the mandate as referred to in this resolution by shareholders in shareholders’ general meeting.
- (f) Subject to the approval by the relevant authorities of the PRC and pursuant to the PRC Company Law, when exercising the powers under sub-paragraph (a) above, the Directors are authorised to increase the registered capital of the Company to the required amount respectively and attend to the relevant registration procedures with the relevant authorities in the PRC, Hong Kong or such other relevant place.
- (g) Subject to the approval by the relevant authorities of the PRC, the Board is authorised to make appropriate and necessary amendments to the Articles of Association, so as to reflect the changes in the capital of the Company that may have arisen under this mandate.”

Executive Directors

Mr. Pang Baogen
Mr. Gao Lin
Mr. Gao Jiming
Mr. Zhou Hanwan
Mr. Wang Rongfu

Independent non-executive Directors

Mr. Wang Youwei
Mr. Yi Deqing
Mr. Hu Shaozeng
Mr. Chan Yin Ming, Dennis
Mr. Sun Chuanlin

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

Zhejiang Province, the PRC
19 April 2010

Notes:

1. The register of members of the Company will be closed from 17 May 2010 to 17 June 2010 (both dates inclusive), during which no transfer of shares can be registered. In order to qualify for the final dividend and to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the registered address of the Company (for holders of Domestic Shares) at Yangxunqiao Township, Shaoxing County, Zhejiang Province, the People's Republic of China (Post Code: 312028), no later than 4:00 p.m. on 14 May 2010.
2. Holders of Domestic Shares and H Shares whose names appear on the register of members of the Company on 17 June 2010 are entitled to receive the final dividend.
3. Holders of Domestic Shares and H Shares entitled to attend and vote at the AGM may appoint one or more proxies to attend and to vote on their behalves. A proxy need not be a member of the Company.
4. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H Shares of the Company, to the H Share registrar of the Company, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, and for holders of Domestic Shares of the Company, to the registered address of the Company at Yangxunqiao Township, Shaoxing County, Zhejiang Province, the People's Republic of China (Post Code: 312028) not less than 24 hours before the time for holding the meeting or not less 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
5. Shareholders or their proxies shall present their identity documents when attending the meeting.

* *For identification purposes only*

6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the AGM shall therefore demand voting on all resolutions set out in this notice of AGM be taken by way of poll pursuant to Article 82 of the Articles of Association. On a poll, every shareholder present in person or by proxy shall have one vote for each share registered in his/her name in the register of members. A shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same manner.
7. Shareholders who intend to attend the AGM should complete and return the reply slip and return it by hand or by post to the H Share registrar of the Company (for holders of H Shares) or to the registered office address of the Company (for holders of Domestic Shares) on or before 27 May 2010.
8. The AGM is expected to take half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
9. The registered office address of the Company is as follows:

Yangxunqiao Township
Shaoxing County
Zhejiang Province
The People's Republic of China
Post Code: 312028
Tel: 86-575-84069420
Fax: 86-575-84067670

10. Biographical details of Mr. Wang Youqing and Mr. Yuan Ajin are set out below.

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 the 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 not held any positions within the Group.

Save as disclosed above, 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 emoluments of Mr. Wang will be determined by the Board, with reference to his duties, responsibilities and the prevailing market conditions, and which will not exceed RMB38,000 annually as provided in the appointment letter, subject to the authorisation by the shareholders of the Company at the AGM.

Apart from being a proposed candidate for an independent non-executive Director, 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 (Chapter 571 of the Laws of Hong Kong) ("SFO").

Save as disclosed above, there are no 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 Listing Rules.

Mr. Yuan Ajin, born in 1949, is a qualified senior 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 and is one of the promoters of the Company.

Save as disclosed above, 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 of the Company, which is to expire at the conclusion of the 2010 annual general meeting of the Company. The emoluments of Mr. Yuan will be determined by the Board, with reference to his duties, responsibilities and the prevailing market conditions, and which will not exceed RMB20,000 annually as provided in the service contract, subject to the authorisation 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 SFO.

Save as disclosed above, there are no 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.

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.