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**If you have sold or transferred** all your shares in Baoye Group Company Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.



**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 GENERAL MANDATE TO ISSUE SHARES**  
**PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES**  
**RE-ELECTION OF DIRECTORS**  
**ELECTION OF SUPERVISORS**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**NOTICES OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

Notices of convening an annual general meeting (the "AGM") and the respective class meetings for holders of H shares (the "H Shares") and domestic shares (the "Domestic Shares") of Baoye Group Company Limited to be held at 2nd Floor, Baoye Group, No.501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the People's Republic of China (the "PRC") on 14 June 2014 is set out on pages 9 to 20 of this circular. Whether or not you are able to attend the AGM and the class meetings, you are requested to complete the forms of proxies in accordance with the instructions printed thereon and return them to the H Shares registrar of Baoye Group Company Limited, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or to the office address of Baoye Group Company Limited at No. 501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event before the time for holding the meeting or not less than 48 hours before the time appointed for taking the poll. Completion and return of the forms of proxies will not preclude you from attending and voting in person at the AGM and class meetings or any adjournment thereof if you so wish.

\* For identification purposes only

25 April 2014



## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at 2nd Floor, Baoye Group, No.501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC at 9:00 a.m. on 14 June 2014
“Articles” or “Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Class Meetings”	the class meeting for holders of H Shares to be held immediately after the conclusion of the AGM and the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, the respective notices of which are set out on pages 15 to 20 of this circular, or any adjournment thereof respectively
“Class Meeting Notices”	the notices for convening the Class Meetings set out on pages 15 to 20 of this circular
“Company”	Baoye Group Company Limited* (寶業集團股份有限公司), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on main board of the Stock Exchange
“Company Law”	the Company Law of the PRC
“Director(s)”	the director(s) of the Company
“Domestic Shares”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which were subscribed for in RMB
“Group”	the Company and its subsidiaries
“H Shares”	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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	16 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“Mandatory Provisions”	《到境外上市公司章程必備條款》 (the Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas) issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System of the PRC
“PRC”	the People’s Republic of China, and for the purpose of this circular only, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the repurchase mandate at the AGM and the Class Meetings, the general mandate to be granted to the Board to exercise the power of the Company to repurchase H Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of H Shares in issue of the Company as at the date of the passing of the relevant resolution as set out in the AGM Notice and the Class Meeting Notices
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	include Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



**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)

*Executive Directors:*

Mr. Pang Baogen  
Mr. Gao Lin  
Mr. Gao Jiming  
Mr. Gao Jun  
Mr. Jin Jixiang

*Non-executive Director:*

Mr. Fung Ching, Simon

*Independent non-executive Directors:*

Mr. Chan Yin Ming, Dennis  
Mr. Wang Youqing  
Mr. Zhao Rulong

*Corporate address:*

No.501, Shanyin West Road,  
Keqiao District, Shaoxing City,  
Zhejiang Province, the PRC

*Registered address:*

Yangxunqiao Township,  
Keiqiao District, Shaoxing City  
Zhejiang Province, the PRC

*Correspondence address in Hong Kong:*

Room 1902 MassMutual Tower  
38 Gloucester Road  
Wanchai  
Hong Kong

25 April 2014

*To the Shareholders*

**PROPOSED GENERAL MANDATE TO ISSUE SHARES**  
**PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES**  
**RE-ELECTION OF DIRECTORS**  
**ELECTION OF SUPERVISORS**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**NOTICES OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

**INTRODUCTION**

The purpose of this circular is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM and the Class Meetings for the Shareholders for the approval of, inter alia: (i) the proposed general mandate to issue Shares; (ii) the proposed general mandate to repurchase H shares; (iii) the re-election of Directors; (iv) the election of Supervisors; (v) the proposed amendments to the Articles of Association; and to give you the AGM Notice and the Class Meeting Notices.

\* For identification purposes only

## LETTER FROM THE BOARD

### PROPOSED GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of the Company held on 16 June 2013, a special resolution was passed whereby a general mandate was granted to the Directors to allot and issue new shares and disposal of outstanding Shares individually and collectively up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of such resolution.

Such mandate will lapse at the conclusion of the forthcoming AGM. In order to increase the flexibility and efficiency in operation of the Company, and to give discretion to the Board in the event that it becomes desirable to issue any shares, the Board proposes a special resolution to grant to the Directors a general mandate to allot, issue and otherwise deal with H Shares up to a maximum of 20% of the total nominal value of H Shares in issue as at the date of the passing of the resolution as set out in Resolution 10 of the notice of the AGM (the "AGM Notice").

As at the Latest Practicable Date, the Company had in issue an aggregate of 662,964,005 Shares, comprising 312,221,952 H Shares and 350,742,053 Domestic Shares. On the basis that no further Shares will be issued by the Company during the period from the Latest Practicable Date to the date of the AGM, subject to the passing of Resolution 10 of the AGM Notice for the approval of the general mandate, the Company will be allowed to allot, issue and deal with up to a maximum of 62,444,390 H Shares, representing 20% of H Shares in issue on the date of the passing of the proposed resolution.

With reference to the proposed general mandate, the Directors, as at the date hereof, wish to state that they have no immediate plans to issue any new H Shares pursuant to the general mandate.

### PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES

#### Repurchase Mandate

A special resolution was passed at the annual general meeting and class meetings of the Company held on 16 June 2013 whereby a general mandate was granted to the Board to repurchase H Shares of the Company up to a maximum of 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of the special resolution, such mandate will lapse at the conclusion of the forthcoming AGM of the Company. In order to increase the flexibility and efficiency in operation of the Company, the Board proposes a special resolution to grant to the Directors a general mandate to repurchase H Shares of the Company up to a maximum of 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of the proposed resolution.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; or (d) the repurchase is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated in the Articles of Association, provide that subject to obtaining the approval of the relevant PRC regulatory authorities and in compliance with the Articles of Association, the Company may repurchase its issued Shares for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its Shares or in circumstances permitted by laws or administrative regulations.

The Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase shares of such company that is listed

## LETTER FROM THE BOARD

on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders in general meeting and special resolutions passed by holders of domestic shares and holders of overseas listed foreign shares at separate meetings.

H Shares are traded on the Stock Exchange in Hong Kong dollars. Therefore, the repurchase of H Shares by the Company is subject to the approval of the SAFE (or its successor authority), and the price payable by the Company upon any repurchase of H Shares will be paid in Hong Kong dollars.

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company. In addition, the Company Law provides that the shares repurchased by a company will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the Company shall inform its creditors by way of written notice and announcement within a prescribed period after the passing of the relevant resolutions approving such reduction. The creditors shall be entitled to request the Company for repayment of loan or provision of guarantee.

### **Conditions to repurchase H Shares**

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Directors. In accordance with the legal and regulatory requirements described above, the Directors give notices to convene the AGM and the Class Meetings. At each such meeting, a special resolution will be proposed to grant to the Directors the Repurchase Mandate which is a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of such special resolution.

The Repurchase Mandate will be conditional upon (a) the special resolution for approving the grant of the Repurchase Mandate being passed at each of the AGM and the Class Meetings; and (b) the approvals of SAFE (or its successor authority) and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of a period of twelve months following the passing of the relevant resolution at the AGM and the Class Meetings; or (c) the date on which the authority conferred by the special resolution is revoked or varied by a special resolution of the Shareholders in a general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective Class Meetings.

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the resolution approving the Repurchase Mandate at the AGM and the Class Meetings.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in the Appendix III to this circular.

## LETTER FROM THE BOARD

### RE-ELECTION OF DIRECTORS

At the annual general meeting held on 16 June 2011, Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang were elected as executive Directors of the Company, Mr. Fung Ching, Simon was elected as non-executive Director, Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong were elected as independent non-executive Directors. The term of office of the Directors will expire on the conclusion of the AGM.

Pursuant to the Articles of Association, the term of the Director is three years renewable upon re-election. All of the above Directors, being eligible, have offered themselves for re-election at the AGM for another three-year term, which will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2016.

Pursuant to Code Provision A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, if an independent non-executive director has served more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders.

Mr. Chan Yin Ming, Dennis has been serving as an independent non-executive Director for more than nine years. The Board is of the opinion that he still has the required character, integrity, independence and experience to fulfill the role of an independent non-executive Director. The Board recognises that there is no evidence that length of tenure is having an adverse impact on the independence of the independent non-executive Director and the Board is not aware of any circumstances that might influence Mr. Chan in exercising his independent judgment. Based on the aforesaid, the Board forms the view that Mr. Chan will continue to maintain an independent view of the Company's affairs despite his length of service, and will continue to bring his relevant experience and knowledge to the Board and should be re-elected. Separate resolution will be proposed for Mr. Chan's re-election at the AGM in pursuance of Code Provision A.4.3.

Biographical details of the above Directors are set out in Appendix I to this circular.

### ELECTION OF SUPERVISORS

At the annual general meeting held on 16 June 2011, Mr. Kong Xiangquan, Mr. Qian Yongjiang, Mr. Yuan Ajin were elected as the Supervisors of the Company, Mr. Li Yongsheng and Mr. Zhang Xindao were elected as independent Supervisors. The term of office of the Supervisors will expire on the conclusion of the AGM.

Pursuant to the Articles of Association, the term of the Supervisors is three years renewable upon re-election. The term of office of the Supervisory Committee will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2016.

Biographical details of the candidates of Supervisors are set out in Appendix I to this circular.

### PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In light of the amendments to the Company Law which took effect on 1 March 2014, and after taking into consideration of the actual situation and the practice of corporate governance of the Company, the Board proposed to amend the Articles, among other things, align it with the relevant regulations, enhance the corporate governance of the Company and improve the management of operations.

## LETTER FROM THE BOARD

The proposed amendments to Articles shall be approved by a special resolution of shareholders at the AGM and by the relevant authorities of the PRC.

The proposed amendments to the Articles are set out in the Appendix II to this circular.

The Articles as amended will also be made available on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.baoyegroup.com](http://www.baoyegroup.com)).

The legal advisors of the Company as to Hong Kong laws and the PRC laws have confirmed that the proposed amendments comply with the requirements of the Listing Rules and do not violate the applicable laws of the PRC, respectively. The Company confirms that there is nothing unusual about the proposed amendments for a PRC company listed on the Stock Exchange.

Shareholders are advised that the Articles of Association are available in Chinese only. The English translation of the proposed amendments to the Articles of Association provided in the notice of the AGM is for reference only. In case of any inconsistency, the Chinese version shall prevail.

### AGM AND CLASS MEETINGS

Notices convening the AGM and the Class Meetings to be held at 2nd Floor, Baoye Group, No.501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC. on 14 June 2014, are set out on pages 9 to 20 of this circular for the purpose of considering and if thought fit, passing the resolutions set out therein.

Forms of proxy for use at each of the AGM and the Class Meetings are enclosed with this circular. Whether or not you are able to attend the AGM and/or the Class Meetings, you are requested to complete the forms of proxies in accordance with the instructions printed thereon and return them to the H Shares registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or to the Company's office address at No. 501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event before the time for holding the meetings or not less than 48 hours before the time appointed for taking the poll. Completion and return of the forms of proxies will not preclude you from attending and voting in person at the AGM and the Class Meetings or any adjournment thereof should you so wish.

### BOOK CLOSURE FOR AGM AND CLASS MEETINGS ATTENDANCE

The register of members of the Company will be closed from 14 May 2014 to 14 June 2014, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM and Class Meetings, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Shares registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) and to the office address of the Company at No. 501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) no later than 4:30 p.m. on 13 May 2014.

## LETTER FROM THE BOARD

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. An announcement on the poll vote results will be made by the Company after the AGM and Class Meetings in the manner of prescribed under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Directors consider that the proposed resolutions in respect of (i) the proposed general mandate to issue Shares; (ii) the proposed general mandate to repurchase H shares; (iii) the re-election of Directors; (iv) the election of Supervisors; and (v) the proposed amendments to the Articles of Association are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of all the resolutions relating to these matters to be proposed at the AGM and the Class Meetings.

### GENERAL INFORMATION

Your attention is drawn to the appendices to this circular.

As at the date of this circular, the Board comprises five executive Directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang; one non-executive Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.

Yours faithfully,  
For and on behalf of the Board  
**Baoye Group Company Limited\***  
**Pang Baogen**  
*Chairman*

\* For identification purposes only

## NOTICE OF AGM



# 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 (the "AGM") of Baoye Group Company Limited (the "Company") will be held at 2nd Floor, Baoye Group, No. 501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the People's Republic of China (the "PRC") at 9:00 a.m. on 14 June 2014 for the following purposes:

### I As ordinary resolutions:

1. To consider and approve the report of the board (the "Board") of directors (the "Directors") of the Company for the year ended 31 December 2013;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2013;
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 2013;
4. To authorise the Board to decide the matters relating to the payment of final dividend for the year ended 31 December 2013;
- 5A. To re-appoint PricewaterhouseCoopers as the Company's international auditors and to authorise the Board to fix their remuneration;
- 5B. To re-appoint PricewaterhouseCoopers Zhongtian CPAs as the Company's PRC statutory auditors and to authorise the Board to fix their remuneration;
6. To consider and approve the re-election of the Company's fifth Board of Directors;
- 6A. To consider and approve the re-election of Mr. Pang Baogen as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6B. To consider and approve the re-election of Mr. Gao Lin as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6C. To consider and approve the re-election of Mr. Gao Jiming as an executive Director of the Company and to authorise the Board to fix his remuneration;

\* For identification purposes only

## NOTICE OF AGM

- 6D. To consider and approve the re-election of Mr. Gao Jun as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6E. To consider and approve the re-election of Mr. Jin Jixiang as an executive Director of the Company and to authorise the Board to fix his remuneration;
- 6F. To consider and approve the re-election of Mr. Fung Ching, Simon, as a non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6G. To consider and approve the re-election of Mr. Chan Yin Ming, Dennis as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6H. To consider and approve the re-election of Mr. Wang Youqing as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 6I. To consider and approve the re-election of Mr. Zhao Rulong as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 7. To consider and approve the election the Company's fifth Supervisory Committee;
- 7A. To consider and approve the re-election of Mr. Kong Xiangquan as a supervisor of the Company and to authorise the Board to fix his remuneration;
- 7B. To consider and approve the election of Mr. Xu Gang as a supervisor of the Company and to authorise the Board to fix his remuneration;
- 7C. To consider and approve the election of Mr. Wang Jianguo as a supervisor of the Company and to authorise the Board to fix his remuneration;
- 7D. To consider and approve the re-election of Mr. Li Yongsheng as an independent supervisor of the Company and to authorise the Board to fix his remuneration;
- 7E. To consider and approve the re-election of Mr. Zhang Xindao as an independent supervisor of the Company and to authorise the Board to fix his remuneration;
- 8. 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 resolutions

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

“**THAT** subject to the approval by the relevant authorities of the PRC, the original articles of association shall be amended as set out in Appendix II of the circular of the Company dated 25 April 2014.”

## NOTICE OF AGM

10. 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 (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (as the same may be amended from time to time) and the Company Law of the PRC (the “**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 (as defined in sub-paragraph (e) below) 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 in sub-paragraph (e) 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 in sub-paragraph (e) below), Domestic Shares (as defined in sub-paragraph (e) below) and non-H foreign shares (other than those issued under the PRC Company Law and the articles of association of the Company (the “**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.

## NOTICE OF AGM

- (e) For the purpose of this resolution:

“Domestic Shares” means 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;

“H Shares” means 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;

“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 mandated 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 of the Company, so as to reflect the changes in the capital of the Company that may have arisen under this mandate.”

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

“**THAT:**

To authorise the board to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this special resolution;

## NOTICE OF AGM

- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the AGM of the Company to be held on 14 June 2014 (or on such adjourned date as may be applicable); and the class meetings for holders of H Shares of the Company and for holders of Domestic Shares of the Company to be held on 14 June 2014 (or on such adjourned date as may be applicable); and
  - (ii) the approval of the State Administration of Foreign Exchange of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, "Relevant Period" means the period from the passing of this special resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
  - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
  - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meeting.
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
  - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
  - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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

Zhejiang Province, the PRC  
25 April 2014

\* For identification purposes only

## NOTICE OF AGM

*Notes:*

1. The register of members of the Company will be closed from 14 May 2014 to 14 June 2014, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's H Shares registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) or to the office address of the Company at No. 501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares), no later than 4:30 p.m. on 13 May 2014.
2. Holders of Domestic Shares and H Shares whose names appear on the register of members of the Company on 27 June 2014 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 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 Shares registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, and for holders of Domestic Shares of the Company, to the office address of the Company at No.501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) before the time for holding the meeting or not less than 48 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.
6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. 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 share registrar of the Company (for holders of H Shares) or to the office address of the Company (for holders of Domestic Shares) on or before 9 June 2014.
8. The AGM is expected to take half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang; one non-executive Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.*



**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 CLASS MEETING FOR HOLDERS OF H SHARES**

NOTICE IS HEREBY GIVEN that a class meeting for holders of H Shares (the "Class Meeting") of Baoye Group Company Limited (the "Company") will be held at 2nd Floor, Baoye Group, No.501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the People's Republic of China (the "PRC") at 11:00 a.m. on 14 June 2014 (or immediately after the annual general meeting of the Company to be convened and held on the same date and at the same place) for the following purpose of considering and if thought fit, passing the following resolution:

**Special Resolution**

To authorise the board (the "Board") of directors (the "Directors") of the Company to repurchase H Shares of the Company (the "H Shares") subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this special resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the AGM of the Company to be held on 14 June 2014; and the class meetings for holders of H Shares of the Company and for holders of Domestic Shares of the Company to be held on 14 June 2014; and

\* For identification purposes only

## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

- (ii) the approval of the SAFE of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
  - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
  - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
  - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
  - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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

Zhejiang Province, the PRC  
25 April 2014

*Notes:*

1. The register of members of the Company will be closed from 14 May 2014 to 14 June 2014, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the Class Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Shares registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on 13 May 2014.
2. Holders of H Shares entitled to attend and vote at the Class Meeting may appoint one or more proxies to attend and to vote on their behalves. A proxy need not be a member of the Company.

\* For identification purposes only

## NOTICE OF CLASS MEETING FOR HOLDERS OF H SHARES

3. In order to be valid, the proxy form must be deposited by hand or by post, to the H Shares registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, before the time for holding the Class Meeting or not less than 48 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.
4. Shareholders or their proxies shall present their identity documents when attending the Class Meeting.
5. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. 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.
6. Shareholders who intend to attend the Class Meeting should complete and return the reply slip and return it by hand or by post to the H Share registrar of the Company on or before 9 June 2014.
7. The Class Meeting for holders of H Shares is expected to take half an hour after the AGM. Shareholders attending the Class Meeting shall be responsible for their own travel and accommodation expenses.

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang; one non-executive Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.*



**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 CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES**

**NOTICE IS HEREBY GIVEN** that a class meeting for holders of Domestic Shares (the “**Class Meeting**”) of Baoye Group Company Limited (the “**Company**”) will be held at 2nd Floor, Baoye Group, No.501, Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the People's Republic of China (the “**PRC**”) at 11:30 a.m. on 14 June 2014 (or immediately after the class meeting for holders of H Shares of the Company to be convened and held on the same date and at the same place) for the following purpose of considering and if thought fit, passing the following resolution:

**Special Resolution**

To authorise the board (the “**Board**”) of directors (the “**Directors**”) of the Company to repurchase H Shares of the Company (the “**H Shares**”) subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of the passing of this special resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the AGM of the Company to be held on 14 June 2014; and the class meetings for holders of H Shares of the Company and for holders of Domestic Shares of the Company to be held on 14 June 2014; and

\* For identification purposes only

## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

- (ii) the approval of the SAFE of the PRC and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
  - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
  - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting or by a special resolution of holders of H Shares or holders of domestic shares of the Company at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
  - (i) make such amendments to the Articles of Association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
  - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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

Zhejiang Province, the PRC  
25 April 2014

*Notes:*

1. The register of members of the Company will be closed from 14 May 2014 to 14 June 2014, both dates inclusive, during which period no share transfers will be effected. In order to qualify for attending and voting at the Class Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the office address of the Company at No.501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) no later than 4:30 p.m. on 13 May 2014.
2. Holders of Domestic Shares entitled to attend and vote at the Class Meeting may appoint one or more proxies to attend and to vote on their behalves. A proxy need not be a member of the Company.

\* *For identification purposes only*

## NOTICE OF CLASS MEETING FOR HOLDERS OF DOMESTIC SHARES

3. In order to be valid, the proxy form must be deposited by hand or by post to the office address of the Company at No.501 Shanyin West Road, Keqiao District, Shaoxing City, Zhejiang Province, the PRC (Post Code: 312030) before the time for holding the Class Meeting or not less than 48 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.
4. Shareholders or their proxies shall present their identity documents when attending the Class Meeting.
5. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands. 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.
6. Shareholders who intend to attend the Class Meeting should complete and return the reply slip and return it by hand or by post to the office address of the Company on or before 9 June 2014.
7. The Class Meeting for holders of Domestic Shares is expected to take half an hour after the Class Meeting for holders of H Shares of the Company. Shareholders attending the Class Meeting shall be responsible for their own travel and accommodation expenses.

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Gao Jun and Mr. Jin Jixiang; one non-executive Director, namely Mr. Fung Ching, Simon and three independent non-executive Directors, namely Mr. Chan Yin Ming, Dennis, Mr. Wang Youqing and Mr. Zhao Rulong.*

<b>APPENDIX I    BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SUPERVISORS PROPOSED TO BE ELECTED AT THE AGM</b>
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*This appendix contains the biographical details of the Directors and Supervisors proposed to be elected at the AGM to enable the Shareholders to make an informed view on whether to vote for or against the resolutions to be proposed at the AGM in relation to the election of Directors and Supervisors.*

### **Executive Directors**

**Mr. Pang Baogen**, born in 1957, is the founder, chairman of the Board and chief executive officer of the Group. Mr. Pang is one of the experts who has received the special award of the State Council and is a member of the expert committee for the China Construction Reform and Development under the Ministry of Housing and Urban-Rural Development of the People's Republic of China. He holds a professor level senior engineer qualification. He is well respected and recognised in the construction industry in China and has received awards including Model Worker of National Construction System, Advanced Individual of National Sustainable Communities, Outstanding Manager in Zhejiang Province, Youth Scientific and Technical Worker with Outstanding Contributions to Zhejiang Province, one of the fourth excellent builders of socialism with Chinese characteristic in Zhejiang Province as well as Zhejiang Charity Award and Zhejiang Charity Star. Mr. Pang has extensive experience in the construction technology field and of enterprise management. He actively promotes independence and innovation, and takes on national topics such as "risk-prevention in big projects" and "transforming the construction industry with information technology". At the same time, he guides the Group in undergoing various revolutions in management controls and operation mechanism. He also explores and executes the "three-in-one" business model and the contractual management model. Besides, Mr. Pang is also the vice-chairman of the Construction Companies Committee in China, the vice-chairman of Construction Association and Agricultural Technology Promotion Foundation in Zhejiang Province, representative of the 12th People's Congress of Zhejiang Province and the director of the Institute of Construction and Housing Industrialisation of National Construction Engineering Technology Research Center.

Save as disclosed above, Mr. Pang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Pang has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an executive Director, Mr. Pang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) or their respective associates (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Pang is interested in 198,753,054 Domestic Shares and 6,612,000 H Shares, representing 30.98% of the entire share capital of the Company, and 361,244 shares of Zhejiang Baoye Curtain Wall Decoration Company Limited, which is a related entity to the Company. Save as disclosed above, Mr. Pang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Pang will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

<b>APPENDIX I    BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SUPERVISORS PROPOSED TO BE ELECTED AT THE AGM</b>
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**Mr. Gao Lin**, born in 1970, is an executive Director and the director of the operation management committee of the Company, a director and the general manager of Baoye Hubei Construction Group Company Limited. Mr. Gao holds a professor level senior engineer qualification and is a graduate of the Fudan EMBA Programme. He is also a senior professional manager of the construction industry in China. He was awarded a celebrity in the national important infrastructure construction and a celebrity of the 9th (2010) Hubei Economic Year, the National Excellent Construction Entrepreneur, apprentice of Luban, the Top 10 Outstanding Entrepreneurs of Construction Industry in Zhejiang Province, Outstanding Entrepreneur in Hubei Province, Model Worker of Hubei Province, Outstanding Youth in Hubei Province, Talent for Economic Development of Shaoxing City, Model Worker of Shaoxing City. He is currently the vice chairman of the Hubei Enterprises Union, the vice chairman of the Federation of Industry and Commerce in Hubei Province and vice-chairman of Construction Industry Association in Hubei, the vice chairman of the Youth Union of the Direct Departments of Hubei Province, and representative of the 14th People's Representative Congress of Wuchang District, Wuhan City. He joined the Group in 1987.

Save as disclosed above, Mr. Gao has not held any directorship in other listed public companies in the three years prior to the Latest Practicable Date. Mr. Gao has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an executive Director, Mr. Gao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Gao is interested in 9,544,775 Domestic Shares, representing 1.44% of the entire share capital of the Company, and 120,415 shares of Zhejiang Baoye Curtain Wall Decoration Company Limited, which is a related entity to the Company. Save as disclosed above, Mr. Gao does not have any other interests in the Shares of the Company within the meaning of Part XV of the SFO.

Mr. Gao will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

**Mr. Gao Jiming**, born in 1962, is an executive Director of the Company and the chairman and general manager of Hubei Construction Real Estate Development Company, a subsidiary of Baoye Hubei Construction Group Company Limited. Mr. Gao is a graduate of the China University of Geosciences, majoring in civil engineering and holds a professor level senior engineer qualification. He is the vice-chairman of the Real Estate Association of Keqiao District, Shaoxing City. He joined the Group in 1978.

Save as disclosed above, Mr. Gao has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Gao has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an executive Director, Mr. Gao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

<b>APPENDIX I    BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SUPERVISORS PROPOSED TO BE ELECTED AT THE AGM</b>
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As at the Latest Practicable Date, Mr. Gao is interested in 13,024,647 Domestic Shares, representing 1.96% of the entire share capital of the Company, and 180,622 shares of Zhejiang Baoye Curtain Wall Decoration Company Limited, which is a related entity to the Company. Save as disclosed above, Mr. Gao does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Gao will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

**Mr. Gao Jun**, born in 1972, is an executive Director and a member of the operation management committee of the Company, and the general manager of Baoye Group Anhui Company Limited. Mr. Gao graduated from the China University of Geosciences, majoring in civil engineering, and holds a professor level senior engineer qualification. Mr. Gao is currently a representative of the 15th People's Representative Congress of Hefei City, the chairman of Supervisory Committee and executive chairman of Zhejiang Enterprises Union in Anhui, vice chairman of the Anhui Journalist Union, a standing committee member of the Hefei Industrial and Commercial Chamber and Model Worker of Hefei City. He joined the Group in 1989.

Save as disclosed above, Mr. Gao has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Gao has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an executive Director, Mr. Gao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Gao is interested in 5,794,259 Domestic Shares, representing 0.87% of the entire share capital of the Company. Save as disclosed above, Mr. Gao does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Gao will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

**Mr. Jin Jixiang**, born in 1967, is an executive Director and a member of the operation management committee of the Company, and a director and the general manager of Zhejiang Baoye Construction Group Company Limited. Mr. Jin graduated from the China University of Geosciences, majoring in civil engineering and holds a professor level senior engineer qualification. He was awarded the National Excellent Decoration Entrepreneur, National Excellent Construction Entrepreneur, a senior professional manager of the construction industry in China, Top 10 Outstanding Entrepreneurs of Construction in Zhejiang, Model Worker of Shaoxing City, Talent with great contribution to the development of Shaoxing City and the Advanced Productivity Worker of Shaoxing City. Mr. Jin joined the Group in 1985.

Save as disclosed above, Mr. Jin has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Gao has been appointed for a term of three years expiring upon the conclusion of the AGM.

<b>APPENDIX I    BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SUPERVISORS PROPOSED TO BE ELECTED AT THE AGM</b>
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Apart from being an executive Director, Mr. Jin does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Jin is interested in 2,440,527 Domestic Shares, representing 0.37% of the entire share capital of the Company. Save as disclosed above, Mr. Jin does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Jin will be entitled to a director's fee of not less than RMB100,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

#### **Non-executive Director**

**Mr. Fung Ching, Simon**, born in 1969, is a non-executive Director and a member of audit committee of the Company and is currently the chief financial officer and the company secretary of Greentown China Holdings Limited, a company listed on the main board of The Stock Exchange and an independent non-executive director of Hainan Meilan International Airport Company Limited, a company listed on the main board of The Stock Exchange. Mr. Fung graduated from the Queensland University of Technology in Australia with a Bachelor's degree, majoring in accountancy. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the CPA Australia. Mr. Fung served as the chief financial officer and secretary to the board of Directors of Baoye Group between 2004 and 2010, and he worked in PricewaterhouseCoopers between 1994 and 2004.

Save as disclosed above, Mr. Fung has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Fung has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being a non-executive Director, Mr. Fung does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Fung does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Fung will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

#### **Independent Non-executive Directors**

**Mr. Chan Yin Ming, Dennis**, born in 1954, a Canadian living in Hong Kong, is an independent non-executive Director, chairman of audit committee and remuneration committee of the Company. Mr. Chan is a graduate of the John Molson School of Business of Concordia University, Canada and has obtained a professional diploma in accountancy from the McGill University, Canada. Mr. Chan is an associate member of the Chartered Institute of Management Accountants, United Kingdom (ACMA), an associate member of the Institute of Chartered Secretaries and Administrators, United Kingdom (ACIS), a member of Chartered Institute of Purchasing and Supply, United Kingdom (MCIPS) and a

<b>APPENDIX I    BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SUPERVISORS PROPOSED TO BE ELECTED AT THE AGM</b>
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member of Canadian Institute of Chartered Accountants (CA). Mr. Chan is currently director and Chief Executive Officer of Standard Corporate Advisory Limited. Prior to that, Mr. Chan had been director and chief financial officer of various listed companies in Hong Kong, Singapore and the United States of America. Mr. Chan has more than 36 years of experience in public accountancy, management consultancy, manufacturing, distribution and retails, telecommunications, logistics and financial services.

Save as disclosed above, Mr. Chan has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Chan has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent non-executive Director, Mr. Chan does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Chan does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Chan will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

**Mr. Wang Youqing**, born in 1946, is an independent non-executive Director and chairman of nomination committee and a member of audit committee of the Company. Mr. Wang graduated from East China University of Political Science and Law, and 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.

Save as disclosed above, Mr. Wang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Wang has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent non-executive Director, Mr. Wang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Wang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Wang will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

**Mr. Zhao Rulong**, born in 1948, is an independent non-executive Director and a member of remuneration committee and nomination committee of the Company. Mr. Zhao graduated from the Fudan University, majoring in history. Mr. Zhao was the secretary of Party Committee of Construction Scientific Design Research Institute and Urban-Rural Planning and Design Research Institute in Zhejiang Province, the party member of Urban-Rural Construction Department of Zhejiang Province and deputy secretary and

<b>APPENDIX I    BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SUPERVISORS PROPOSED TO BE ELECTED AT THE AGM</b>
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secretary of Construction Department of Zhejiang Province. Mr. Zhao is the chairman of Construction Industry Association of Zhejiang Province and experienced in construction industry.

Save as disclosed above, Mr. Zhao has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Apart from being an independent non-executive Director, Mr. Zhao does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Zhao does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Zhao will be entitled to a director's fee of not less than RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

### **Supervisors**

**Mr. Kong Xiangquan**, born in 1958, a qualified senior engineer, is the general manager of the Zhejiang Baoye Communications Construction Company Limited. He joined the Group in 1975.

Save as disclosed above, Mr. Kong has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Kong has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being a Supervisor, Mr. Kong does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Kong does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Kong will be entitled to a supervisor's fee of RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

**Mr. Xu Gang**, born in 1976, is a deputy general manager of Zhejiang Baoye Construction Group Company Limited, and general manager of Jiangsu Branch of Zhejiang Baoye Construction Group Company Limited. Mr. Xu graduated from the China University of Geosciences, majoring in civil engineering, and holds a First Grade Registered Architect and senior engineer qualification. Mr. Xu was awarded the Top 10 Young Entrepreneurs of Construction Industry in Zhejiang, Model Worker of the Construction Industry in Shaoxing City, the Outstanding Entrepreneurs of Construction Industry in Jiangsu Province. Mr. Xu joined the Group in 1998.

Save as disclosed above, Mr. Xu has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr. Xu does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

<b>APPENDIX I    BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SUPERVISORS PROPOSED TO BE ELECTED AT THE AGM</b>
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As at the Latest Practicable Date, Mr. Xu does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Xu will be entitled to a supervisor's fee of RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

**Mr. Wang Jianguo**, born in 1966, holds a senior engineer qualification, is currently the chairman and general manager of Zhejiang Baoye Curtain Wall Decoration Company Limited. He is also a deputy director and member of the curtain wall committee of China Construction Decoration Association and vice chairman of Zhejiang Construction Decoration Association. He was awarded the National Outstanding Entrepreneur of Construction Decoration Industry. Mr. Wang joined the Group in 1986.

Save as disclosed above, Mr. Wang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr. Wang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Wang is interested in 5,250,290 Domestic Shares, representing 0.79% of the entire share capital of the Company, and 2,424,288 shares of Zhejiang Baoye Curtain Wall Decoration Company Limited, which is a related entity to the Company. Save as disclosed above, Mr. Wang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Wang will be entitled to a supervisor's fee of RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

### **Independent Supervisors**

**Mr. Li Yongsheng**, born in 1940, is an independent Supervisor of the Company. Mr. Li was the district attorney of Shaoxing District Attorney Office. Currently, he is the honorary consultant of Shaoxing Sports Association and the vice president of the Union of Political Consultative Congress in Shaoxing City.

Save as disclosed above, Mr. Li has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Li has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent Supervisor of the Company, Mr. Li does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Li does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

<b>APPENDIX I    BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SUPERVISORS PROPOSED TO BE ELECTED AT THE AGM</b>
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Mr. Li will be entitled to a supervisor's fee of RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

**Mr. Zhang Xindao**, born in 1944, is an independent Supervisor of the Company. Mr. Zhang graduated from the East-South University and holds a senior engineer qualification. He was previously the deputy director of Shaoxing City Electric Power Bureau, general manager of Shaoxing Daming Industry Company, chairman of Shaoxing Daming Electricity Company, chairman of Zhuji Bafang Electricity Company and the general manager of Shaoxing Tianyi Green Power Company Limited.

Save as disclosed above, Mr. Zhang has not held any directorship in other listed public companies in the last three years prior to the Latest Practicable Date. Mr. Zhang has been appointed for a term of three years expiring upon the conclusion of the AGM.

Apart from being an independent Supervisor, Mr. Zhang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

As at the Latest Practicable Date, Mr. Zhang does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Zhang will be entitled to a supervisor's fee of RMB50,000 per annum, which is determined with reference to his duties and responsibilities with the Company, the Company's performance, the remuneration policy of the Company and the prevailing market situation.

For all the above Directors and Supervisors standing for election at the AGM, save as disclosed above, the Company, the Directors and Supervisors are not aware of any information which needs to be disclosed pursuant to any requirement of Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matters regarding the appointment which need to be brought to the attention of the Shareholders.

No.	The original article	To be amended as
1	<p>Original contents footnotes</p> <p>Footnote: In the margin notes to the provisions of the Articles of Association, “Mandatory Provisions” refer to the “Mandatory Provisions for Articles of Association of Companies to be Listed Overseas” jointly promulgated by the State Council Securities Policy Committee and the State Restructuring Commission; the “Listing Rules” refers to the “Listing Rules” issued by The Stock Exchange of Hong Kong Limited; the “Opinions” refers to the “Opinion on the Further Promotion of the Regular Operation and In-Depth Reform of Companies Listed Overseas” jointly issued by the State Economic and Trade Commission and the China Securities Regulatory Commission (“CSRC”); the “Practice Guidelines for Company Secretaries” refers to the “Practice Guidelines for Company Secretaries of Companies to be Listed Overseas” promulgated by CSRC; the “Company Law” refers to the amendment to the “Company Law of the People’s Republic of China” amended on 27 October 2005.</p>	<p>Footnote: In the margin notes to the provisions of the Articles of Association, “Mandatory Provisions” refer to the “Mandatory Provisions for Articles of Association of Companies to be Listed Overseas” jointly promulgated by the State Council Securities Policy Committee and the State Restructuring Commission; the “Listing Rules” refers to the “Listing Rules” issued by The Stock Exchange of Hong Kong Limited; the “Opinions” refers to the “Opinion on the Further Promotion of the Regular Operation and In-Depth Reform of Companies Listed Overseas” jointly issued by the State Economic and Trade Commission and the China Securities Regulatory Commission (“CSRC”); the “Practice Guidelines for Company Secretaries” refers to the “Practice Guidelines for Company Secretaries of Companies to be Listed Overseas” promulgated by CSRC; the “Company Law” refers to the amendment to the “Company Law of the People’s Republic of China” amended on 28 December 2013.</p>
2	<p>Original Article 6 Chapter 1</p> <p>Pursuant to the “Company Law of the People’s Republic of China” (“Company Law”), “the PRC Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (“Special Regulations”), “Mandatory Provisions for Articles of Association of Companies to be Listed Overseas” (“Mandatory Provisions”) and the relevant provisions of other laws and administrative regulations of the State, the Articles of Association passed in the general meeting on 25 August 2002 (the “Original Articles of Association”) and were amended by the Company in the extraordinary general meetings held on 3 September 2002 and the annual general meetings held on 30 June 2004, 20 May 2005, 1 June 2006, 25 June 2007 and 15 June 2012, pursuant to which these Articles of Association (“these Articles of Association”) were formulated.</p>	<p>Pursuant to the “Company Law of the People’s Republic of China” (“Company Law”), “the PRC Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies” (“Special Regulations”), “Mandatory Provisions for Articles of Association of Companies to be Listed Overseas” (“Mandatory Provisions”) and the relevant provisions of other laws and administrative regulations of the State, the Articles of Association passed in the general meeting on 25 August 2002 (the “Original Articles of Association”) and were amended by the Company in the extraordinary general meetings held on 3 September 2002 and the annual general meetings held on 30 June 2004, 20 May 2005, 1 June 2006, 25 June 2007, 15 June 2012 and 14 June 2014, pursuant to which these Articles of Association (“these Articles of Association”) were formulated.</p>

No.	The original article	To be amended as
3	<p data-bbox="293 308 632 334">Original Article 33 Chapter 4</p> <p data-bbox="293 368 815 459">When the Company reduces its registered capital, it shall draw up a balance sheet and an inventory of assets.</p> <p data-bbox="293 495 815 907">The Company shall notify its creditors within ten days from the date of the Company's resolution for reduction of registered capital and shall publish an announcement in a newspaper at least three times within thirty days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who has not received the notice, within ninety days from the date of the first announcement, to require the Company to repay its debts or provide corresponding guarantee for such debts.</p> <p data-bbox="293 944 815 1032">The registered capital of the Company after reduction shall not be less than the minimum statutory amount.</p> <p data-bbox="293 1069 762 1095">(Article 23 of the Mandatory Provisions)</p>	<p data-bbox="847 368 1369 459">When the Company reduces its registered capital, it shall draw up a balance sheet and an inventory of assets.</p> <p data-bbox="847 495 1369 907">The Company shall notify its creditors within ten days from the date of the Company's resolution for reduction of registered capital and shall publish an announcement in a newspaper within thirty days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who has not received the notice, within 45 days from the date of the announcement, to require the Company to repay its debts or provide corresponding guarantee for such debts.</p> <p data-bbox="847 944 1369 1032">The registered capital of the Company after reduction shall not be less than the minimum statutory amount.</p> <p data-bbox="847 1069 1318 1095">(Article 23 of the Mandatory Provisions)</p>
4	<p data-bbox="293 1131 632 1157">Original Article 35 Chapter 4</p> <p data-bbox="293 1194 815 1321">The Company may, with the approval of the relevant governing authority of the State for repurchasing its shares, conduct the repurchase in one of the following ways:</p> <ol data-bbox="293 1358 815 1606" style="list-style-type: none"> <li data-bbox="293 1358 815 1418">(1) making a pro rata general offer of repurchase to all its shareholders;</li> <li data-bbox="293 1455 815 1515">(2) repurchase through public dealing on a stock exchange;</li> <li data-bbox="293 1552 815 1612">(3) repurchase by an off-market agreement outside a stock exchange.</li> </ol> <p data-bbox="293 1649 762 1675">(Article 25 of the Mandatory Provisions)</p>	<p data-bbox="847 1194 1369 1321">The Company may, with the approval of the relevant governing authority of the State for repurchasing its shares, conduct the repurchase in one of the following ways:</p> <ol data-bbox="847 1358 1369 1606" style="list-style-type: none"> <li data-bbox="847 1358 1369 1418">(1) making a pro rata general offer of repurchase to all its shareholders;</li> <li data-bbox="847 1455 1369 1515">(2) repurchase through public dealing on a stock exchange;</li> <li data-bbox="847 1552 1369 1612">(3) repurchase by an off-market agreement outside a stock exchange;</li> <li data-bbox="847 1649 1369 1737">(4) other ways recognized by the securities governing authority under the State Council.</li> </ol> <p data-bbox="847 1774 1318 1800">(Article 25 of the Mandatory Provisions)</p>

<b>APPENDIX II</b>	<b>PARTICULARS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b>
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<b>No.</b>	<b>The original article</b>	<b>To be amended as</b>
5	<p>Original Article 64 (13) Chapter 8</p> <p>(13) to consider motions raised by shareholders who represent 5% (including 5%) or more of the total shares of the Company carrying voting rights;</p>	<p>(13) to consider motions raised by shareholders who represent 3% (including 3%) or more of the total shares of the Company carrying voting rights;</p>
6	<p>Original Article 70 Chapter 8</p> <p>The Company shall, based on the written replies received 5 days before the date of the general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one half of the Company's total voting shares, the Company may hold the general meeting; if not, then the Company shall within 5 days notify the shareholders again by public announcement of the matters to be considered, and the place and date for the meeting. The Company may then hold the general meeting after such publication of announcement. Such announcement shall be published in newspapers.</p> <p>An extraordinary general meeting shall not decide on any matter not specified in the notice of meeting.</p> <p>(Article 55 of the Mandatory Provisions)</p> <p>(Rule 7(1) of Appendix 3 to the Listing Rules)</p>	<p>The Company shall, based on the written replies received 5 days before the date of the general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one half of the Company's total voting shares, the Company may hold the general meeting; if not, then the Company shall within 5 days notify the shareholders again by public announcement of the matters to be considered, and the place and date for the meeting. The Company may then hold the general meeting after such publication of announcement.</p> <p>An extraordinary general meeting shall not decide on any matter not specified in the notice of meeting.</p> <p>(Article 55 of the Mandatory Provisions)</p>

No.	The original article	To be amended as
7	<p>Original Article 87 Chapter 8</p> <p>Shareholders requisitioning the convening of an extraordinary general meeting or a class meeting shall abide by the following procedures:</p> <p>(1) Two or more shareholders holding in aggregate 10% (including 10%) or more of the shares carrying the voting right at the meeting sought to be held shall sign one or more counterpart requisitions in writing stating the objectives of the meeting and requiring the board to convene an extraordinary general meeting or a class meeting. The board shall as soon as possible proceed to convene the extraordinary general meeting or a class meeting after receiving the requisition.</p> <p>The amount of shareholdings referred to above shall be calculated as at the date of the deposit of the requisition.</p> <p>(2) If the board does not serve the notice of the convening a meeting after 30 days of receiving the written requests aforesaid, such shareholders may convene such a meeting in a manner as similar as possible as that in which shareholders' meeting are to be convened by the board within four months from the date of receipt of the requisition by the board.</p> <p>Any reasonable expenses incurred by the requisitions by reason of the failure of the board to duly convene a meeting shall be repaid to the shareholders by the Company and any sum so repaid shall be set off against sums owed by the Company to the directors in default.</p> <p>(Article 72 of the Mandatory Provisions)</p>	<p>Shareholders requisitioning the convening of an extraordinary general meeting or a class meeting shall abide by the following procedures:</p> <p>(1) A shareholder holding individually or shareholders holding collectively in aggregate 10% (including 10%) or more of the shares carrying the voting right at the meeting sought to be held shall have the right to require the board to convene an extraordinary general meeting or a class meeting. The board shall as soon as possible proceed to convene the extraordinary general meeting or a class meeting after receiving the requisition.</p> <p>The amount of shareholdings referred to above shall be calculated as at the date of the deposit of the requisition.</p> <p>(2) If the board does not serve the notice of the convening a meeting after 30 days of receiving the written requests aforesaid, such shareholders may convene such a meeting in a manner as similar as possible as that in which shareholders' meeting are to be convened by the board within four months from the date of receipt of the requisition by the board.</p> <p>Any reasonable expenses incurred by the requisitions by reason of the failure of the board to duly convene a meeting shall be repaid to the shareholders by the Company and any sum so repaid shall be set off against sums owed by the Company to the directors in default.</p> <p>(Article 72 of the Mandatory Provisions)</p>

No.	The original article	To be amended as
8	Original Article 95 Chapter 9	
	Those shareholders holding different classes of shares are shareholders of different classes. Apart from the holders of other classes of shares, the holders of domestic shares and holders of overseas listed foreign shares shall be shareholders of different classes.	Those shareholders holding different classes of shares are shareholders of different classes. Apart from the holders of other classes of shares, the holders of domestic shares and holders of overseas listed foreign shares shall be shareholders of different classes.
	A class of shareholders shall, in accordance with laws, administrative regulations and the Articles of Association, enjoy rights and bear obligations.	A class of shareholders shall, in accordance with laws, administrative regulations and the Articles of Association, enjoy rights and bear obligations.
	The special procedures for voting at any meeting of a class of shareholders shall not apply to the following circumstances:	The special procedures for voting at any meeting of a class of shareholders shall not apply to the following circumstances:
	<p>(1) where the Company issues, upon the approval by special resolution in general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its issued and outstanding domestic shares and overseas listed foreign shares; or</p> <p>(2) where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its incorporation is carried out within 15 months from the date of approval by the securities regulatory authority under the State Council Securities Policy Committee.</p>	<p>(1) where the Company issues, upon the approval by special resolution in general meeting, either separately or concurrently once every 12 months, not more than 20% of each of its issued and outstanding domestic shares and overseas listed foreign shares; or</p> <p>(2) where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its incorporation is carried out within 15 months from the date of approval by the securities regulatory authority under the China Securities Regulatory Commission.</p>
	(Article 78, Article 85 of the Mandatory Provisions)	(Article 78, Article 85 of the Mandatory Provisions)
	(Section 1(f) of Appendix 13D to the Listing Rules)	(Section 1(f) of Appendix 13D to the Listing Rules)

No.	The original article	To be amended as
9	<p>Original Article 100 Chapter 9</p> <p>Written notice of a class meeting shall be given 45 days before the date of the class meeting to notify all of the shareholders in the share register of such class of the matters to be considered, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply concerning attendance at the class meeting to the Company 20 days before the date of the class meeting.</p> <p>If the number of shares carrying voting rights at the class meeting represented by the shareholders who intend to attend the meeting reaches more than one half of the voting shares at the class meeting, the Company may hold the class meeting; if not, the Company shall within 5 days notify the shareholders again by public announcement of the matters to be considered, the date and the place for the class meeting. The Company may then hold the class meeting after publication of such announcement. Such announcement shall be published in newspapers.</p> <p>(Article 83 of the Mandatory Provisions)</p> <p>(Rule 7(1) of Appendix 3 to the Listing Rules)</p>	<p>Written notice of a class meeting shall be given 45 days before the date of the class meeting to notify all of the shareholders in the share register of such class of the matters to be considered, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply concerning attendance at the class meeting to the Company 20 5 days before the date of the class meeting.</p> <p>If the number of shares carrying voting rights at the class meeting represented by the shareholders who intend to attend the meeting reaches more than one half of the voting shares at the class meeting, the Company may hold the class meeting; if not, the Company shall within 5 days notify the shareholders again by public announcement of the matters to be considered, the date and the place for the class meeting. The Company may then hold the class meeting after publication of such announcement.</p> <p>(Article 83 of the Mandatory Provisions)</p>
10	<p>Original Article 160 Chapter 15</p> <p>The Company's after-tax profit shall be distributed in accordance with the following order:</p> <ol style="list-style-type: none"> <li>(1) recovery of losses;</li> <li>(2) allocation to the statutory surplus reserve fund;</li> <li>(3) allocation to the statutory public welfare fund;</li> <li>(4) allocation to the discretionary surplus reserve fund;</li> <li>(5) payment of dividends in respect of ordinary shares.</li> </ol>	<p>The Company's after-tax profit shall be distributed in accordance with the following order:</p> <ol style="list-style-type: none"> <li>(1) recovery of losses;</li> <li>(2) allocation to the statutory reserve fund;</li> <li>(3) allocation to the discretionary surplus reserve fund;</li> <li>(4) payment of dividends in respect of ordinary shares.</li> </ol>

No.	The original article	To be amended as
11	<p data-bbox="296 308 655 334">Original Article 161 Chapter 15</p> <p data-bbox="296 368 815 523">The common reserve of the Company comprises the surplus reserve and capital common reserve. The surplus reserve includes statutory surplus reserve and discretionary surplus reserve.</p>	<p data-bbox="850 368 1367 523">The common reserve of the Company comprises the reserve and capital common reserve. The surplus reserve includes statutory surplus reserve and discretionary surplus reserve.</p>
12	<p data-bbox="296 558 655 584">Original Article 162 Chapter 15</p> <p data-bbox="296 618 815 873">When distributing each year's after-tax profits, the Company shall set aside 10% of its after-tax profits for the statutory surplus reserve fund (except where the fund has reached 50% of the Company's registered capital) and 5% to 10% of its after-tax profit for the statutory public welfare fund of the Company.</p> <p data-bbox="296 907 815 1192">When the Company's statutory surplus reserve fund is not sufficient to make up for the Company's losses of the previous year, current year profits shall be used to make good the losses before allocations are set aside for the statutory surplus reserve fund and the statutory public welfare fund in accordance with the provisions of the preceding paragraph.</p> <p data-bbox="296 1226 815 1416">The shareholders in general meeting may resolve to transfer any amount from the after-tax profit of the Company to the discretionary surplus reserve fund after transferring the requisite amount to the statutory surplus reserve fund.</p> <p data-bbox="296 1450 815 1666">After the Company has made good its losses and made allocations to its surplus reserve fund and statutory public welfare fund, the remaining profits could be available for distribution to shareholder in proportion to the number of shares held by the shareholders.</p>	<p data-bbox="850 618 1367 778">When distributing each year's after-tax profits, the Company shall set aside 10% of its after-tax profits for the statutory reserve fund (except where the fund has reached 50% of the Company's registered capital).</p> <p data-bbox="850 812 1367 1067">When the Company's statutory reserve fund is not sufficient to make up for the Company's losses of the previous year, current year profits shall be used to make good the losses before allocations are set aside for the statutory reserve fund in accordance with the provisions of the preceding paragraph.</p> <p data-bbox="850 1101 1367 1291">The shareholders in general meeting may resolve to transfer any amount from the after-tax profit of the Company to the discretionary surplus reserve fund after transferring the requisite amount to the statutory reserve fund.</p> <p data-bbox="850 1325 1367 1511">After the Company has made good its losses and made allocations to its surplus reserve fund, the remaining profits could be available for distribution to shareholder in proportion to the number of shares held by the shareholders.</p>

<b>No.</b>	<b>The original article</b>	<b>To be amended as</b>
	<p>In the event that the general meeting or the board violates the rule set out above, any profit distributed to the shareholders prior to offsetting loss of the Company and allocating to the statutory surplus reserve fund and statutory public welfare fund shall be returned to the Company.</p> <p>No distribution of profit shall be made in respect of those shares of the Company held by the Company.</p>	<p>In the event that the general meeting or the board violates the rule set out above, any profit distributed to the shareholders prior to offsetting loss of the Company and allocating to the statutory reserve fund shall be returned to the Company.</p> <p>No distribution of profit shall be made in respect of those shares of the Company held by the Company.</p>
13	<p>Original Article 164 Chapter 15</p> <p>The common reserve of the Company shall only be applied for the following purposes:</p> <p>(1) to recover the Company's losses;</p> <p>(2) to expand the production operation of the Company or to increase the Company's capital.</p> <p>When the Company converts its common reserve fund into its capital upon a resolution adopted in general meeting, the Company shall distribute new shares in proportion to the number of shares held by the shareholders, provided. However, when the statutory surplus reserve fund is converted into capital, the balance of such common reserve fund may not fall below 25% of the registered capital.</p>	<p>The common reserve of the Company shall only be applied for the following purposes:</p> <p>(1) to recover the Company's losses;</p> <p>(2) to expand the production operation of the Company or to increase the Company's capital.</p> <p>When the Company converts its common reserve fund into its capital upon a resolution adopted in general meeting, the Company shall distribute new shares in proportion to the number of shares held by the shareholders, provided. However, when the statutory reserve fund is converted into capital, the balance of such common reserve fund may not fall below 25% of the registered capital.</p>
14	<p>Delete Original Article 165 Chapter 15</p> <p>The Company's statutory public welfare fund is used for the collective welfare of the Company's staff and workers.</p>	<p>Adjust the relevant serial number</p>

<b>No.</b>	<b>The original article</b>	<b>To be amended as</b>
15	<p>Original Article 190 Chapter 20</p> <p>The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p>In the event of a merger of the Company, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution was made and shall publish a public announcement in a newspaper at least three times within 30 from the date of the merger resolution was made. A creditor has the right within 30 days of receiving such notice from the Company or, for creditors who do not receive the notice, within 90 days from the date of the first public announcement, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt. Where the Company fails to repay its debts or provide corresponding guarantee for such debts, it may not be merged.</p> <p>After the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.</p> <p>(Article 150 of the Mandatory Provisions)</p>	<p>To be amended as: Article 189 Chapter 20</p> <p>The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.</p> <p>In the event of a merger of the Company, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution was made and shall publish a public announcement in a newspaper within 30 from the date of the merger resolution was made. A creditor has the right within 30 days of receiving such notice from the Company or, for creditors who do not receive the notice, within 45 days from the date of the public announcement, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt.</p> <p>After the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.</p> <p>(Article 150 of the Mandatory Provisions)</p>

<b>No.</b>	<b>The original article</b>	<b>To be amended as</b>
16	<p>Original Article 191 Chapter 20</p> <p>When the Company is demerged, its assets shall be split up accordingly.</p> <p>In the event of a demerger of the Company, the parties to such demerger shall execute a demerger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the resolution to demerge was made and shall publish a public announcement in a newspaper at least three times within 30 days from the date of the resolution to demerge was made. A creditor has the right within 30 days of receiving such notice from the Company or, for creditors who do not receive the notice, within 90 days from the date of the first public announcement, to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt. Where the Company fails to repay its debts or provide corresponding guarantee for such debts, it may not be demerged.</p> <p>Debts of the Company prior to demerger shall be borne by the companies which exist after the demerger in accordance with the agreement reached.</p> <p>(Article 151 of the Mandatory Provisions)</p> <p>(Rule 7(1) of Appendix 3 to the Listing Rules)</p>	<p>To be amended as: Article 190 Chapter 20</p> <p>When the Company is demerged, its assets shall be split up accordingly.</p> <p>In the event of a demerger of the Company, the parties to such demerger shall execute a demerger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the resolution to demerge was made and shall publish a public announcement in a newspaper within 30 days from the date of the resolution to demerge was made.</p> <p>Debts of the Company prior to demerger shall be borne by the companies which exist after the demerger in accordance with the agreement reached.</p> <p>(Article 151 of the Mandatory Provisions)</p>

<b>No.</b>	<b>The original article</b>	<b>To be amended as</b>
17	<p>Original Article 196 Chapter 21</p> <p>The liquidation committee shall within 10 days of its establishment send notice to creditors, and shall within 60 days of its establishment publish a public announcement in a newspaper at least three times. A creditor shall within 30 days of receiving the notice, or for any creditor who does not receive the notice, within 90 days of the date of the first public announcement, report his creditors' rights to the liquidation committee. The creditors' rights due but unclaimed shall be deemed as waived.</p> <p>When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to his creditor's rights and shall provide materials as evidence. The liquidation committee shall carry out registration of creditors' rights.</p> <p>(Article 156 of the Mandatory Provisions)</p>	<p>To be amended as: Article 195 Chapter 21</p> <p>The liquidation committee shall within 10 days of its establishment send notice to creditors, and shall within 60 days of its establishment publish a public announcement in a newspaper. A creditor shall within 30 days of receiving the notice, or for any creditor who does not receive the notice, within 45 days of the date of the public announcement, report his creditors' rights to the liquidation committee.</p> <p>When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to his creditor's rights and shall provide materials as evidence. The liquidation committee shall carry out registration of creditors' rights.</p> <p>(Article 156 of the Mandatory Provisions)</p>

*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision on whether to vote for or against the special resolution to approve the grant of the Repurchase Mandate to the Directors.*

## **LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by the Articles of Association to repurchase its own securities.

## **REGISTERED CAPITAL**

As at the Latest Practicable Date, the registered capital of the Company was RMB662,964,005 comprising 350,742,053 Domestic Shares and 312,221,952 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and assuming that no further H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 31,222,195 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

## **REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

## **FUNDING OF REPURCHASES**

In repurchasing the H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC, including but not limited to surplus funds and undistributed profits of the Company.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2013 as disclosed in the Company's latest published audited accounts contained in the annual report for the year ended 31 December 2013. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing, in the best interests of the Company.

**STATUS OF REPURCHASED H SHARES**

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

**H SHARE PRICES**

The highest and lowest prices at which the H Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>H Shares</b>	
	<b>The Highest Price (HKD)</b>	<b>The Lowest Price (HKD)</b>
<b>In 2013</b>		
May	6.49	5.81
June	6.48	4.73
July	6.00	5.22
August	5.80	5.04
September	5.45	4.95
October	5.47	5.03
November	5.82	5.30
December	5.70	5.10
<b>In 2014</b>		
January	5.40	4.88
February	4.87	4.51
March	4.75	4.51
1 April to the Latest Practicable Date	4.56	4.11

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

**DISCLOSURE OF INTERESTS**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the AGM and the Class Meetings.

No connected person, as defined in the Listing Rules, has notified the Company that he or she or it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Pang Baogen (representing approximately 56.67% of the total issued Domestic Shares of the Company) was the controlling shareholder (as defined under the Listing Rules) of the Company, and held 198,753,054 Domestic Shares and 6,612,000 H Shares (representing approximately 2.12% of the total issued H Shares of the Company), representing approximately 30.98% of the registered capital of the Company. On the basis that 662,964,005 Shares was in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the AGM and the Class Meetings, if the Repurchase Mandate is exercised in full,

- (a) the percentage interests in the Company of Mr. Pang Baogen (in terms of Domestic Shares only) would remain as approximately 56.67% of the then total issued Domestic Shares of the Company. To the best knowledge and belief of the Directors, the repurchase of H Shares will not give rise to an obligation to make a mandatory offer under the Takeovers Code;
- (b) the percentage interests in the Company of Mr. Pang Baogen (in terms of H Shares only) would increase to approximately 2.35% of the then total issued H Shares of the Company. To the best knowledge and belief of the Directors, such increase will not give rise to an obligation to make a mandatory offer under the Takeovers Code; and
- (c) the percentage interests in the Company of Mr. Pang Baogen would increase to approximately 32.51% of the then registered capital of the Company. To the best knowledge and belief of the Directors, such increase will not give rise to an obligation to make a mandatory offer under the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences which will arise under either or both of the Takeovers Code and any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

#### **SECURITIES REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any H Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.