

NOTICE OF ANNUAL GENERAL MEETING



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 IS HEREBY GIVEN that an Annual General Meeting (“AGM”) of Baoye Group Company Limited (“Company”) will be held at 2nd Floor, Baoye Group, No.501, Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the People’s Republic of China (“PRC”) on 26 June 2009 at 2:30 p.m. for the following purposes:

I As ordinary resolutions:

1. To consider and approve the report of the board (“Board”) of directors (“Directors”) of the Company for the year 2008;
2. To consider and approve the report of the supervisory committee of the Company for the year 2008;
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 2008;
4. To authorise the Board to decide the matters relating to the payment of final dividend for the year 2008;
- 5A. To re-appoint PricewaterhouseCoopers as the Company’s international auditors and to authorise the Board to fix their remuneration;
- 5B. To re-appoint ShineWing CPAs as the Company’s PRC statutory auditors and to authorise the Board to fix their remuneration;
6. To consider and approve any motion proposed by any shareholder of the Company holding 5% or more of the share’s with voting rights at such meeting, if any;

II As special resolution

7. To consider and, if thought fit, pass the following as special resolution:
“THAT:

(a) Subject to sub-paragraphs (c) and (d) herein below and pursuant to The Rules (“Listing Rules”) Governing the Listing of Securities

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on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (as the same may be amended from time to time) and the Company Law of the PRC (“**PRC Company Law**”), the Directors are generally and unconditionally authorised to exercise all the rights of the Company, to allot and issue new shares and dispose of outstanding shares of the Company individually and collectively during the Relevant Period and to determine the terms and conditions in relation to the allotment and issue of new shares including, inter alia:

- i. the type and number of new shares to be issued;
 - ii. the issue price of the new shares;
 - iii. the date for the commencement and closing of the issue;
 - iv. the class and the number of new shares to be issued to the existing shareholders;
 - v. to make, execute or grant offer proposals, agreements and options as may be necessary in the exercise of such powers; and
 - vi. all other matters in relation thereto.
- (b) The Directors are authorised to make or grant offer proposals, agreements and options as required or may be required in the exercise of such powers during the Relevant Period (as defined below) as referred to in sub-paragraph (a) or after the expiry of the Relevant Period.
- (c) The total nominal amount of H Shares (as defined below), Domestic Shares (as defined below) and non-H foreign shares (other than those issued under the PRC Company Law and the articles of association of the Company (“**Articles of Association**”) by the capitalisation of the statutory capital reserve fund) agreed to be allotted and/or conditionally or unconditionally agreed to be allotted by the Directors pursuant to sub-paragraph (a) above (whether pursuant to the exercise of option or otherwise) shall not exceed 20% of such class of the shares of the Company existing in issue.
- (d) Upon the exercise of the powers pursuant to sub-paragraph (a) above, the Directors shall comply with the PRC Company Law and the Listing Rules (as the same may be amended from time to time) and obtain the approval from the China Securities Regulatory Commission.
- (e) For the purpose of this resolution:
- “H Shares” mean the overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and subscribed for and traded in Hong Kong dollars;

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“Domestic Shares” mean the domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which were subscribed for in Renminbi;

“Relevant Period” means the period from the date of the passing of this resolution to the earliest of the following three:

- i. twelve months after the passing of this resolution;
 - ii. conclusion of the next annual general meeting of the Company; and
 - iii. the date of the passing of a special resolution to revoke or amend the 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 places.
- (g) Subject to the approval by the relevant authorities of the PRC, the Board is authorised to make appropriate and necessary amendments to the Articles of Association, so as to reflect the changes in the capital of the Company that may have arisen under this mandate.”

Executive Directors

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

Independent non-executive Directors

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

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

Zhejiang Province, the People’s Republic of China
27 April 2009

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Notes:

1. The register of members of the Company will be closed from 26 May 2009 to 26 June 2009 (both dates inclusive), during which no transfer of shares can be registered. In order to qualify for the final dividend and to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Center, 28 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the registered address of the Company (for holders of Domestic Shares) at Yangxunqiao Township, Shaoxing County, Zhejiang Province, the People's Republic of China (Post Code: 312028), no later than 4:00 p.m. on 25 May 2009.
2. Holders of Domestic Shares and H Shares whose names appear on the register of members of the Company on 26 June 2009 are entitled to receive the final dividend.
3. Holders of Domestic Shares and H Shares entitled to attend and vote at the AGM may appoint one or more proxies to attend and to vote on their behalves. A proxy need not be a member of the Company.
4. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H Shares of the Company, to the H Shares registrar of the Company, Tricor Tengis Limited at 26th Floor, Tesbury Center, 28 Queen's Road East, Wanchai, Hong Kong, and for holders of Domestic Shares of the Company, to the registered address of the Company at Yangxunqiao Township, Shaoxing County, Zhejiang Province, the People's Republic of China (Post Code: 312028) not less than 24 hours before the time for holding the meeting or not less 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
5. Shareholders or their proxies shall present their identity documents when attending the meeting.
6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The Chairman of the AGM shall therefore demand voting on all resolutions set out in this notice of AGM be taken by way of poll pursuant to Article 82 of the Articles of Association. On a poll, every shareholder present in person or by proxy shall have one vote for each share registered in his/her name in the register of members. A shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same manner.
7. Shareholders who intend to attend the AGM should complete and return the reply slip and return it by hand or post to the share registrar of the Company (for holders of H Shares) or to the registered office address of the Company (for holders of Domestic Shares) on or before 5 June 2009.
8. The AGM is expected to take half a day. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
9. The registered office address of the Company is as follows:

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

As at the date hereof, the Board comprises five executive directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Zhou Hanwan and Mr. Wang Rongfu; and five independent non-executive directors, namely Mr. Wang Youwei, Mr. Yi Deqing, Mr. Hu Shaozeng, Mr. Chan Yin Ming, Dennis and Mr. Sun Chuanlin.