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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)

GENERAL MANDATE TO ISSUE SHARES
RE-ELECTION AND APPOINTMENT OF DIRECTORS
RE-ELECTION OF SUPERVISORS
CHANGE IN THE PRC STATUTORY AUDITOR
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of Baoye Group Company Limited* to be held at 2nd Floor, Baoye Group, No. 501 Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, PRC at 2:00 p.m. on 13 June 2011 is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the H Shares registrar of Baoye Group Company Limited*, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the office address of Baoye Group Company Limited* at No. 501, Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event not less than 48 hours 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 form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof if you so wish.

* For identification purposes only

21 April 2011

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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, Shaoxing County, Zhejiang Province, the PRC at 2:00 p.m. on 13 June 2011
“Articles”	the articles of association of the Company
“Board”	the board of Directors of the Company
“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 The Stock Exchange
“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”	19 April 2011, 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
“PRC”	the People’s Republic of China
“PwC Hong Kong”	PricewaterhouseCoopers
“PwC ZT”	PricewaterhouseCoopers Zhong Tian CPAs
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Shine Wing CPAs”	Shine Wing CPAs Company Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* For identification purposes only

DEFINITIONS

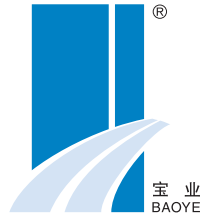
“Supervisor(s)”

the supervisor(s) of the Company

“%”

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. Zhou Hanwan
Mr. Wang Rongfu

Independent non-executive Directors:

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

Corporate address:

No. 501, Shanyin West Road,
Keqiao, Shaoxing County,
Zhejiang Province, PRC

Registered address:

Yangxunqiao Township, Shaoxing County,
Zhejiang Province, PRC

Correspondence address in Hong Kong:

Room 1902 MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATE TO ISSUE SHARES RE-ELECTION AND APPOINTMENT OF DIRECTORS RE-ELECTION OF SUPERVISORS CHANGE IN THE PRC STATUTORY AUDITOR AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposals relating to (i) the general mandate to issue shares; (ii) the re-election and appointment of Directors; (iii) the re-election of Supervisors; and (iv) the change in the PRC statutory auditor.

GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of the Company held on 17 June 2010, special resolution was passed whereby general mandate was given to the Directors to allot, issue new shares and disposal of outstanding shares of the Company 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

* For identification purposes only

LETTER FROM THE BOARD

the event that it becomes desirable to issue any shares, the Board will propose a special resolution to grant to the Directors a general mandate to allot, issue and otherwise deal with shares of the Company up to a maximum of 20% of the total nominal value of shares in issue as at the date of passing of the resolution as set out in Resolution 9 of 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 9 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 shares pursuant to the general mandate.

RE-ELECTION AND APPOINTMENT OF DIRECTORS

Pursuant to the Articles, the term of the Director is three years renewable upon re-election.

The term of office of the following executive Directors, namely, Mr. Pang Baogen, Mr. Gao Lin and Mr. Gao Jiming; and the independent non-executive Directors, namely, Mr. Chan Yin Ming, Dennis and Mr. Wang Youqing, will expire on the conclusion of the AGM, and all of them, being eligible, have offered themselves for re-election at the AGM for another three-year term commencing on the conclusion of the AGM.

In addition, the Board proposed to appoint Mr. Gao Jun and Mr. Jin Jixiang as executive Directors and Mr. Fung Ching Simon as a non-executive Director and Mr. Zhao Rulong as an independent non-executive Director for a three-year term commencing on the conclusion of the AGM.

Subject to re-election and appointment, the term of the Directors of the Company will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2013. Biographical details of the above Directors are set out in Appendix I to this circular.

RE-ELECTION OF SUPERVISORS

Pursuant to the Articles, the term of the Supervisor is three years renewable upon re-election.

The independent Supervisors, namely, Mr. Li Yongsheng and Mr. Zhang Xindao, the Supervisor, Mr. Yuan Ajin, and the other Supervisors (being employee representatives), Mr. Kong Xiangquan and Mr. Qian Yongjiang, and all of them being eligible, have offered themselves for re-election at the AGM for another three-year term commencing on the conclusion of the AGM.

Subject to re-election, the term of the Supervisors of the Company will commence on the conclusion of the AGM and expire on the conclusion of the annual general meeting of the Company of 2013. Biographical details of the above Supervisors are set out in Appendix I to this circular.

CHANGE IN THE PRC STATUTORY AUDITOR

The Company appointed PwC Hong Kong as the Company's international auditor to report on the Group's financial statements which are prepared in accordance with the Hong Kong Financial Reporting Standards for the purpose of fulfilling the financial reporting requirements of the Listing Rules, and Shine Wing CPAs as the Company's PRC statutory auditor to report on the Group's financial statements which are prepared in accordance with the

LETTER FROM THE BOARD

China Accounting Standards for the year ended 31 December 2010. Such appointments were approved at the 2009 annual general meeting of the Company which was held on 17 June 2010.

In order to improve efficiency and reduce cost, the Board proposes, subject to the approval by the Shareholders at the AGM, to appoint PwC ZT as its PRC statutory auditor to replace Shine Wing CPAs.

Shine Wing CPAs has confirmed that there are no matters regarding the proposed ceasing of re-appointment that need to be brought to the attention of the Shareholders. The Board is also not aware of any matter regarding the proposed ceasing of re-appointment that needs to be brought to the attention of Shareholders.

AGM

The notice convening the AGM is set out on pages 13 to 16 of this circular. Resolutions in respect of, among other things, (i) the general mandate to issue shares; (ii) the re-election and appointment of Directors; (iii) the re-election of Supervisors; and (iv) the change in the PRC statutory auditor will be proposed at the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the H Shares registrar of the Company, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Company's office address at No.501, Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the PRC (Post Code: 312030) (for holders of Domestic Shares) as soon as possible and in any event not less than 48 hours 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 form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VOTING BY WAY OF POLL

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be made by the Company after the AGM 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 general mandate to issue shares; (ii) the re-election and appointment of Directors; (iii) the re-election of Supervisors; and (iv) the change in the PRC statutory auditor 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 the resolutions relating to these matters to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the appendix to this circular.

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

21 April 2011

This appendix contains the biographical details of the Directors and Supervisors proposed to be re-elected and appointed at the AGM to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the re-election and appointment 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, as well as Youth Scientific and Technical Worker with Outstanding Contributions to Zhejiang Province. 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 in Zhejiang, representative of the 11th 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, representing 29.98% 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.

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. He 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 the National Excellent Construction Entrepreneur, a celebrity in the national important infrastructure construction, apprentice of Luban, the Top 10 Outstanding Entrepreneurs of Construction Industry in Zhejiang Province, Outstanding Entrepreneur in Hubei Province, Outstanding Youth in Hubei Province, Model Worker of Hubei Province, Talent for Economic Development of Shaoxing City, Model Worker of Shaoxing City. He is currently a standing committee member of the Federation of Industry and Commerce in Hubei Province, a committee member of the 11th Hubei Youth Union Committee,

vice chairman of the Youth Union of the Direct Departments of Hubei Province, vice chairman of the Hubei Enterprises Union, vice-chairman of Construction Industry Association in Hubei, vice-chairman of Construction Industry Association in Wuhan, representative of the 13th People's Representative Congress of Wuchang District, Wuhan City and a member of the construction and environment protection committee in 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. He is a graduate of the China University of Geosciences, majoring in civil engineering and holds a senior engineer qualification. He is a committee member of the Real Estate Association in Zhejiang Province and Shaoxing City, and vice-chairman of the Real Estate Association of Shaoxing County. 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.

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 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 senior engineer qualification. Mr. Gao is currently a representative of the 14th People's Representative Congress of Hefei City, a standing committee member of the Anhui Youth Union, executive chairman of the Zhejiang Enterprises Union in Anhui, vice chairman of the Anhui Journalist Union and a standing committee member of the Hefei Industrial and Commercial Chamber. 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.

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 a member of the operation management committee of the Company. Mr. Jin is 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, Top 10 Outstanding Entrepreneurs of Construction in Zhejiang, Outstanding Manager of Construction in Zhejiang, Model Worker of Shaoxing City and the Advanced Productivity Worker of Shaoxing City. He 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.

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 currently the Chief Financial Officer, the company secretary and an authorised representative of Greentown China Holdings Limited, a company listed on the main board of The Stock Exchange (stock code: 03900) and an independent non-executive director of Hainan Meilan International Airport Company Limited, a company listed on the main board of The Stock Exchange (stock code: 00357). 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.

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 remuneration committee and a member of audit 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 association 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 member of Canadian Institute of Chartered Accountants (CA). Mr. Chan is currently a director and senior vice president of Alliance Capital Asia Limited. Prior to that, Mr. Chan had been directors and chief financial officers of various listed and unlisted companies in Hong Kong, Singapore and the United States of America. Mr. Chan has more than 34 years of experience in public accountancy, management consultancy, manufacturing, distribution, telecommunications retailing, 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 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 Rurong, born in 1948, 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 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 1959, 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 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. Qian Yongjiang, born in 1967, graduated from China University of Geosciences, majoring in industrial and residential construction, a qualified senior engineer. Mr. Qian is currently acting as the deputy general manager of Zhejiang Baoye Construction Group Company Limited. He joined the Group in 1984.

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

Apart from being a Supervisor, Mr. Qian 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. Qian does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Qian will be entitled to a supervisor'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. Yuan Ajin, born in 1949, is a qualified engineer and the deputy general manager of the equipment leasing department of Zhejiang Baoye Construction Group Company Limited, a subsidiary of the Group. He joined the Group in 1975. Mr. Yuan is one of the promoters of the Company.

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

Apart from being an independent Supervisor, Mr. Yuan 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. Yuan is interested in 4,803,572 Domestic Shares, representing 0.72% of the entire share capital of the Company. Save as disclosed above, Mr. Yuan does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Yuan will be entitled to a supervisor'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 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.

Mr. Li will be entitled to a supervisor'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. 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

preciously the deputy director of Shaoxing City Electric Power Bureau, general manager of Shaoxing Daming Industry Company, chairman of Shaoxing Daming Electricity Company and chairman of Zhuji Bafang Electricity Company. Mr. Zhang is 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.

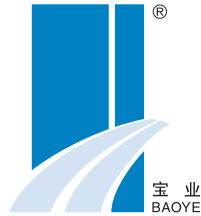
Apart from being an independent Supervisor, Mr. Zhang does not have any relationship with any Directors, Supervisors, senior management, substantial shareholders or controlling shareholders or their respective associates of the Company.

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 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.

For all the above Directors and Supervisors standing for re-election and appointment 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.

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 (“AGM”) of Baoye Group Company Limited* (“Company”) will be held at 2nd Floor, Baoye Group, No. 501, Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the People’s Republic of China (“PRC”) at 2:00 p.m. on 13 June 2011 for the following purposes:

I. As ordinary resolutions:

1. To consider and approve the report of the board (“Board”) of directors (“Directors”) of the Company for the year ended 31 December 2010;
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2010;
3. To consider and approve the audited consolidated financial statements of the Company and its subsidiaries (together, the “Group”) and the report of the auditors of the Company for the year ended 31 December 2010;
4. To authorise the Board to decide the matters relating to the payment of final dividend for the year ended 31 December 2010;
- 5A. To re-appoint PricewaterhouseCoopers as the Company’s international auditors and to authorise the Board to fix their remuneration;
- 5B. To appoint PricewaterhouseCoopers Zhongtian CPAs as the Company’s PRC statutory auditors and to authorise the Board to fix their remuneration;
- 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;
- 6D. To consider and approve the appointment 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 appointment of Mr. Jin Jixiang as an executive Director of the Company and to authorise the Board to fix his remuneration;

* For identification purposes only

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- 6F. To consider and approve the appointment 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 appointment of Mr. Zhao Rulong as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration;
- 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 re-election of Mr. Qian Yongjiang as a supervisor of the Company and to authorise the Board to fix his remuneration;
- 7C. To consider and approve the re-election of Mr. Yuan Ajin 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 resolution:

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

“THAT:

- (a) Subject to sub-paragraphs (c) and (d) herein below and pursuant to the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (as the same may be amended from time to time) and the Company Law of the PRC (“**PRC Company Law**”), the Directors are generally and unconditionally authorised to exercise all the rights of the Company, to allot and issue new shares and dispose of outstanding shares of the Company individually and collectively during the Relevant Period (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;

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- 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) above 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 (“Articles”) 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:
- “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.

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- (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.”

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

Zhejiang Province, the PRC

21 April 2011

Notes:

1. The register of members of the Company will be closed from 13 May 2011 to 13 June 2011 (both dates inclusive), during which no transfer of shares can be registered. In order to qualify for the final dividend and to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the office address of the Company (for holders of Domestic Shares) at No. 501 Shanyin West Road, Keqiao, Shaoxing County, Zhejiang Province, the People's Republic of China (Post Code: 312030), no later than 4:30 p.m. on 12 May 2011.
2. Holders of Domestic Shares and H Shares whose names appear on the register of members of the Company on 13 June 2011 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 Centre, 28 Queen's Road East, Wanchai, 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, Shaoxing County, Zhejiang Province, the People's Republic of China (Post Code: 312030) not less than 48 hours 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. 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 24 May 2011.
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 office address of the Company is as follows:

No. 501 Shanyin West Road, Keqiao
Shaoxing County
Zhejiang Province
The People's Republic of China
Post Code: 312030
Tel: 86-575-84135837
Fax: 86-575-84118792

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Pang Baogen, Mr. Gao Lin, Mr. Gao Jiming, Mr. Zhou Hanwan and Mr. Wang Rongfu; and five independent non-executive Directors, namely Mr. Wang Youwei, Mr. Yi Deqing, Mr. Hu Shaozeng, Mr. Chan Yin Ming, Dennis and Mr. Wang Youqing.

* For identification purposes only