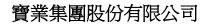
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BAOYE GROUP COMPANY LIMITED^{*}

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 2355)

MONTHLY UPDATE ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made by Baoye Group Company Limited (the "**Company**") pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**").

Reference is made to the announcement published by the Company on 10 May 2020 (the "Announcement") in relation to the Potential Transaction (as defined therein). Unless the context otherwise requires, the terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to update the shareholders and potential investors of the Company that, as at the date of this announcement, the controlling shareholder of the Company is still considering the Potential Transaction and no definitive agreement or letter of intent has been entered into with any party or being tabled to the Board pertaining to the Potential Transaction.

Pursuant to Rule 3.7 of the Takeovers Code, the Company will make announcement(s) on a monthly basis until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Potential Transaction is made. The Company will also make further announcements in accordance with the requirements of the Listing Rules and the Takeovers Code (as the case may be) in due course.

There is no assurance that the Potential Transaction or any other transaction contemplated by the discussions mentioned in this announcement will materialise or eventually be consummated and the discussions may or may not lead to a formal offer (as defined in the Takeovers Code) for the shares of the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares and/or other securities of the Company. Shareholders and potential investors of the Company who are in doubt about the action they should take should consult their professional advisers.

> By Order of the Board Baoye Group Company Limited^{*} Pang Baogen Chairman

Zhejiang, the People's Republic of China 10 June 2020

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

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. Li Wangrong and Ms. Liang Jing