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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)

INSIDE INFORMATION

EARLY TERMINATION OF ASSET-BACKED SECURITIES PROGRAM

This announcement is made by Baoye Group Company Limited* (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcement (the “**Announcement**”) dated 26 December 2019 in relation to the BohaiHuijin–Baoye Dongcheng Plaza Asset-backed Securities Program (渤海匯金-寶業東城廣場資產支持證券專項計劃), a special program to securities certain underlying assets by issuing asset-backed securities to certain subscribers (the “**ABS Program**”). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Announcement.

In order to optimise the Group’s debt structure and reduce the Group’s financing costs, after careful consideration, the Company decided to early terminate the ABS Program by exercising the pre-emptive right by the borrower at the first redemption window, details of which are set out below:

I. Information of the ABS Program

Please refer to the to the Announcement for the details of the ABS Program.

II. Reasons for early termination of the ABS Program

In recent years, as the People's Republic of China (the "PRC") has continuously enhanced its support to the development of the real economy, there has been relatively sufficient market liquidity in the PRC, and monetary easing policy remains.

In light of the Group's ability to maintain a net cash position as at 30 June, 2022, the Group aims to optimise its debt structure and reduce its financing costs. Accordingly, the Company decided to terminate the ABS Program after careful consideration and discussions with the ABS Holders.

III. Arrangements for the termination of the ABS Program

The ABS have a tenor of 18 years with a redemption window every 3 years. The borrower has a pre-emptive right to pay back the borrowings to early terminate the ABS program at every redemption window. Upon the exercise of such pre-emptive right, the ABS Holders of the Senior Class A Securities and Senior Class B Securities would cease to receive coupons interest. After previous communication and final agreement made among the related parties of the ABS program, the borrower will early redeem the Senior Class A Securities and Senior Class B Securities of the ABS in full in the aggregate principal amount of RMB544.6 million together with all outstanding coupons up to RMB8.0856 million, a total sum of RMB552.7 million on 26 December, 2022.

IV. Impact of the termination of the ABS Program

As at 30 June 2022, the Company has banking facilities of approximately RMB7 billion which are sufficient for the Group's operations. The termination of the ABS Program will further reduce the overall financing costs of the Group. Going forward, the Company will actively carry out financing projects based on its needs, optimise its debt structure, minimise financing costs and maintain an optimal capital structure.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Zhejiang, the People's Republic of China

**For identification purposes only*

18 November 2022

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

**For identification purposes only*